FALL 1978 THREE DOLLARS 6

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Inside Policy Review

MAX M. KAMPELMAN is a partner in the law firm of Fried, Frank, Harris, Shriver and Kampelman in Washington, D.C., New York and London. He has written extensively on problems involving the relationship between the government, the public and the press in *The Columbia Journalism Review, The Washingtonian* and *The Proceedings of the Academy of Political Science.* Formerly on the faculties of political science at the University of Minnesota, Bennington College, Howard University and Claremont College, he is the author of numerous other articles and a book entitled *The Communist Party vs. The CIO: A Study in Power Politics.* He received the Ph.D. degree from the University of Minnesota and the J.D. degree from New York University; from 1949 to 1955, he was Legislative Counsel to Senator Hubert H. Humphrey. Dr. Kampelman currently serves as a trustee of several colleges, universities and charitable organizations.

In a thoughtful analysis of the competing claims of freedom of the press, of governmental authority and individual rights, Dr. Kampelman strongly defends a free press as a vital part of our democracy but he also raises important questions which have troubled critics of the press, both inside and outside the profession, in recent years. He points out that the authors of the First Amendment could not have foreseen that in less than two centuries the communications industry would become among the most profitable in the country, that it would be dominated by giant conglomerates, or that it would assume for itself rights and privileges denied the government.

He recommends a number of possible reforms. An effective anti-trust program could ensure genuine competition without infringing editorial freedom. A professional code of ethics similar to that upheld by the American Bar Association combined with an independent Press Council and independent internal ombudsmen would be useful steps toward a more responsible profession.

EUGENE V. ROSTOW is Sterling Professor of Law, Yale Law School and Chairman of the Executive Committee of the Committee on the Present Danger. He was Undersecretary of State for Political Affairs (1966-69). He has served as a visiting professor at the University of Chicago and Oxford and Cambridge Universities and is the author of a number of books, including *Peace in the Balance.* The article published here is based upon a talk presented at a Conference on United States Security and the Soviet Challenge held at Hartford, Connecticut on July 25, 1978.

Dr. Rostow argues that the SALT Sellers, the group of political and public relations experts led by Hamilton Jordan, claim too much for SALT II. This proposed agreement, he claims, "is not a step toward detente or toward peace, but an act of appeasement which can only invite more Soviet pressure and more risk." Instead of focusing on the Treaty, Dr. Rostow recommends that we should work toward redressing the present strategic and conventional force balance between the U.S. and the Soviet Union, whose growth of military strength in the last sixteen years is "without parallel in modern history." Dr. Rostow suggests that "Moderate rearma-

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ment, coupled with a vigorous and active diplomacy of solidarity with our allies and with China, could stabilize world politics by containing the Soviet drive for hegemony."

DANIEL ORR is the newly-appointed chairman of the economics department, Virginia Polytechnic Institute and State University. Earning a Ph.D. degree from Princeton University, he taught at the University of Chicago, Amherst College and the University of California, San Diego. He has been a Ford Foundation Fellow and is the author of numerous economic studies.

Dr. Orr predicts here that the immediate effects of Proposition Thirteen will be relatively trivial. Over the long-term, however, "the most ominous and potentially the most significant effect of Thirteen" will be the transfer of tax revenues to the state and federal levels. And, the individual taxpayer should expect "higher taxes, less visible and hence less painful taxes," such as the value-added tax and the hidden tax of inflation. In fact, Proposition Thirteen, says Dr. Orr, "may have set back the date when serious, meaningful fiscal reform of the federal government can take place."

DANIEL PATRICK MOYNIHAN, the author of many books and articles, and a former Ambassador to the United Nations, is the Democratic Senator from New York.

Senator Moynihan, in this short essay, discusses "the undisciplined use of language with which American spokesmen and principal officers of the government have addressed themselves to certain foreign policy problems." As a result of what Dr. Fred Charles Ikle calls "semantic infiltration," (see *Congressional Record,* July 25, 1978, p. 51165), State officials have adopted the use of such terms as "the Patriotic Front," "liberation forces," and "people's democracy" from our opponents. Senator Moynihan believes that "the West's political culture is endangered by the fact that the vocabulary and the symbols of political progress are being expropriated by the opponents of our values." And, our adoption of their language "reveals a carelessness that verges on negligence, or, alternatively, it reveals a private agenda that needs to be further explored in public."

EAMONN BUTLER received his Ph.D. from the University of St. Andrews in Scotland and currently teaches economics at Hillsdale College. He is the co-author of the newly published book, *Forty Centuries of Wage and Price Controls.*

In this short article, Dr. Butler argues that the "chief villain" in causing inflation is the federal government itself. Inflation is caused when government spends in excess of its tax revenues. And, claims Butler, the federal government profits from inflation to a major degree: Milton Friedman estimates that the federal government's revenue from inflation came to more than $25 billion in 1973 alone. "Given these facts and figures," concludes Butler, "it will come as no surprise if the enthusiasm of at least many government officials for fighting inflation is less than all-consuming."

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WILLIAM R. KINTNER is Director of the Foreign Policy Institute of the University of Pennsylvania and editor of the foreign policy quarterly, *Orbis.* Dr. Kintner has held many government posts since 1950, including that of U.S. Ambassador to Thailand. He is the author of many articles and books including *Protracted Conflict* and *A Forward Strategy for America.*

In *Policy Review,* Dr. Kintner argues that in Rhodesia, power and real authority are passing with each week to the black majority. By continuing to withold support from the internal multi-racial settlement, however, the U.S. will make Soviet and Cuban intervention a strong possibility. The U.S. should support the Salisbury Agreement, partially lift the embargo, and call an all-party conference to reach a final settlement for which the West should promise diplomatic recognition and financial support. "If President Carter cannot free his Rhodesian policies from Young's obsessions," asserts Dr. Kintner, "Carter will condemn millions of blacks in Zimbabwe to the tyranny of another totalitarian regime."

ERNEST W. LEFEVER is the Director of the Ethics and Public Policy Center of Georgetown University. Formerly a Senior Fellow in Foreign Policy Studies at the Brookings Institution, he received the B.D. and Ph.D. degrees from Yale University. Among the many books he has written or edited are *Ethics and World Politics, The Limits of Foreign Policy, Arms and Arms Control* and *TV and National Defense.* Dr. Lefever has just returned from a visit to Northeast Asia.

In *Policy Review,* Dr. Lefever discusses the future roles of the United States and Japan in the defense of the Northern Pacific region. Even if the U.S. maintains its present level of support in that region, Dr. Lefever argues, Japan will be required to bear a heavier security responsibility in that area. Should the U.S. withdraw support from that region, Japan would be faced with "agonizing choices." It would have to decide whether or not to accept this new burden and if it did, "it would have to consider undertaking substantial rearmament, including the building of a nuclear deterrent, and taking the lead in forming a new alliance."

EDWARD NEILAN is the editor and publisher of *The Asia Mail.* For twelve years he was a correspondent in East Asia for *The Christian Science Monitor* and Copley News Service. A graduate of the University of Southern California, Mr. Neilan also studied at the University of London and was a Jefferson Fellow in Communications at the East-West Center of the University of Hawaii. In 1973, he received an Overseas Press Club award for reporting from the People's Republic of China.

In this article, Mr. Neilan analyzes present and future U.S. policy toward Northeast Asia. Although he maintains that in the mid-1970s the "American Century" gave way to the "Pacific Century" (a concept which includes the U.S.) because of the remarkable economic growth of Japan, South Korea, and other East Asian nations, there is "ample room for American leadership . . . in the Pacific." First and foremost, Mr. Neilan recommends, U.S. policy emphasis should be focused on maintaining and improving relations with Japan. Normalization of relations with Peking should be

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postponed if it harms the U.S. relationship with Taiwan and the U.S. should retain its deterrent force in Korea.

WILLIAM H. PETERSON, the Burrows T. Lundy Professor of Philosophy of Business, Campbell College, North Carolina, becomes the Scott L. Probasco, Jr. Professor of Free Enterprise, and Director of the Center for Economic Education, at the University of Tennessee at Chattanooga on January 1, 1979. Dr. Peterson received his Ph.D. from New York University and is the author of several books and many articles on economics.

In this essay-review, Dr. Peterson examines antitrust theory and practice, using as a stepping-off point Robert H. Bork's newly-published book *The Antitrust Paradox: A Policy at War with Itself,* which Peterson calls "monumental" and predicts "will become a classic work and help undo a lot of antitrust mischief." Bork, Peterson claims, rightly points out that government antitrust policies "tend to undermine competition and hence the entire antitrust edifice." Peterson goes on to argue that, as the consumer is sovereign in the marketplace and as competition exists in the absence of coercion, especially government coercion, monopoly can only be defined as the denial of freedom of entry and is "overwhelmingly, a creature of government."

Reviews of other books were written by KENNETH L. ADELMAN (who is writing a book on the Carter Administration's foreign policy), ROBERT L. SCHUETTINGER (editor of *The Conservative Tradition in European Thought*), JOHN B. BRECKINRIDGE (a Democratic Representative from Kentucky who serves on the House Armed Services Committee and who is Chairman of the Congressional Caucus for the Common Defense) and CHRISTOPHER THEILE (editorial assistant, *Policy Review*).

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The Power of the Press: A Problem for Our Democracy

MAX M. KAMPELMAN

Attention to power is indispensable for an understanding of the role of the media in our democratic society. Political scientists have rightfully written for years about the abuses of executive power and congressional power. The critical question for our democracy today, however, is not so much the power of the Presidency, which is restrained by the Congress, the opposing political party, the press and the courts; nor so much the power of the Congress, which is restrained by the President, by partisan politics, by the press and by the courts. The relatively unrestrained power of the media may well represent an even greater challenge to our democracy.

Power itself is not antithetical to a democracy. Power is manageable as long as it is properly restrained. There are, of course, definite restraints on the power of the President and on the power of the Congress. The genius of the American polity, in fact, has been its ability to balance various elements of power. Powerful corporations and unions restrain one another and both are restrained by government and by laws. The American press, however, perhaps the second most powerful institution in the country next to the Presidency, is characterized by few, if any, effective restraints.[1]

Press Freedom – An Essential Liberty

Freedom of the press is essential to political liberty. A society of self-governing people is possible only if the people are informed, hence the right to exchange and print words. Where men cannot freely convey their thoughts to one another, no freedom is secure. But what if that freedom is used in a vulgar, cynical, immoral, dishonest, libelous, obscene, or seditious manner? Is it not true that no man is free if he can be terrorized by his neighbor? And, is it not possible for words as

1. It is interesting that a survey taken in 1974 by *U.S. News & World Report* showed that a cross section of national leaders ranked television ahead of the White House as the country's number one power center. Kevin Phillips, *Mediacracy* (Garden City, New York: Doubleday, 1975) p. 25.

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well as swords to terrorize? Furthermore, can a citizen be truly informed if falsehoods come masqueraded as truths? Is it not true that the abuse of liberty can destroy liberty? And, is a democratic society unable to defend itself against these kinds of threats to its internal welfare and safety?

The First Amendment to the Constitution, guaranteeing the rights of free press and free speech, is not exclusive.[2] Rather, it is part of a series of constitutional protections. What happens when these rights conflict with one another? For example, if the right to a fair trial is fundamental to liberty, what happens to it if the press is free to prejudice a fair trial by what it publishes?[3]

The press (both print and electronic) is very jealous of what it asserts as its right to protect its sources of information. At a press conference in Washington, Dan Rather asserted that the right was "not for the benefit of reporters. It is for the benefit of listeners and viewers and readers. . . . The cause is America."[4] This is related to a newly-articulated "public's

2. It should be noted that when the framers of the Constitution considered the idea of freedom of the press, they did not envision a press possessed of very nearly unrestrained license. The concept of an unrestrained press was foreign to the liberal philosophers of the 17th and 18th centuries. The idea of freedom without responsibility was also foreign to the experience of the Founding Fathers. When the First Amendment provided that "Congress shall make no law" abridging the stated freedoms, it was clearly intended that it was the national government that would be subject to that prohibition rather than the states. Indeed, Pennsylvania, Delaware and Virginia expressly imposed liabilities for abuses of free speech. Thomas Jefferson explained: "While we deny that Congress have the right to control the freedom of the press, we have ever asserted the right of the states, and their exclusive right to do so." (Letter to Abigail Adams, September 4, 1804).

After the passage of the Sedition Act, however, and with the reaction to it, restraints against the press were gradually removed. The Supreme Court came to interpret the Fourteenth Amendment as extending the rights protected under the First Amendment against restrictions by the states as well as the national government. More recently, court decisions have begun to lessen libel laws as a restraint against the press; and in the Pentagon Papers case, the press was allowed to publish stolen government documents without restraint or liability. (*New York Times Co.* v. *United States*, 403 U.S., 1971, p. 713).

3. As this article was going to press, *The New York Times – Myron Farber* case, in which the *Times* reporter and his paper are arguing for First Amendment immunity for the reporter's notes, was being debated.

4. Tom Bethell and Charles Peters, "The Imperial Press," *Washington Monthly*, November 1976, p. 29.

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right to know." But what about the public's right to know the sources of news stories? Are the media insisting on a degree of confidentiality which they deny to the government? Does it not seem incongruous for a private, profit-making enterprise, such as the media, to have a greater right of confidentiality than a democratically-elected government?

During recent years, the media have been filled with headlines about the alleged misdeeds of the CIA. There are a number of important questions at issue. Are there, for example, too many intelligence agencies functioning and vying for power? How does one balance the competing claims of individual freedom and national security? How is authority to be exercised over intelligence services? How are intelligence operations to be kept nonpolitical? How is freedom of the press to be preserved while preventing irresponsible dissemination of classified information? Indeed, how can a government, be it democratic or not, operate without secrecy?

These serious questions require careful consideration by the press and an informed public as well as by the institutions of government. Headlines and sensational scoops, however, do not, in themselves, contribute to democratic, rational debate, while at the same time they may well serve to damage the nation's intelligence structure. There is a need for some secrecy in government. We would all agree, for example, that troop movements and military installations fall into that category. There are other "secrets" that can perhaps safely be made public. But how are we to recognize which is which? Are the media claiming for themselves the right to decide which leaks are in the public interest and which are not?

Other powerful institutions in our society are required to exercise their power responsibly. Is the press, surely one of the more powerful institutions of our society, not also accountable for what it does? I am reminded here of the statement of Stanley Baldwin, who, as Prime Minister of Great Britain, was vehemently attacked by Lord Rothermere and Lord Beaverbrook, press magnates of that day. Mr. Baldwin replied, "What the proprietorship of these papers is aiming at is power, and power without responsibility – the prerogative of the harlot throughout the ages."[5] Obviously, the awesome power of the press, protected by its constitutional freedom,

5. Speech by Stanley Baldwin, Westminster, March 17, 1931.

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can be abused: good men may be slandered; justice may be thwarted; base passions may be aroused; people may be misinformed; and government may be weakened.

Felix Frankfurter once wrote, "A free press is vital to a democratic society because its freedom gives it power. Power in a democracy implies responsibility in its exercise." He went on to warn, "Nor can the limits of power which enforce responsibility be finally determined by the limited power itself."[6]

The Press As A Business

In addressing ourselves to some of these questions of the media's rights and responsibilities, their power and possible abuse of power, it is important to note that as the media have grown more powerful, they have also become more business and profit oriented. Ben Bagdikian, the distinguished newspaperman and newspaper critic, reports that when he was writing his book on the media industry, he found that average profits for that industry were 76 percent higher than those of all other American industries.[7] *The Washington Post* has published a financial profile of 13 leading public newspaper firms showing an average 35.8 percent increase in net income from 1975 to 1976.[8]

Profits are not inimical to a democratic society, just as power is not antithetical to a democratic society. But these figures are important and revealing as we note that the press is not only an institution designed to provide the principal means of communication and the exchange of ideas in our body politic, but (unlike almost all universities, for example) it is also an institution of business and profit for those who own newspapers, television stations and so forth. In terms of employment, the newspaper industry today is America's third largest manufacturer, behind only automobiles and steel.[9]

As early as 1920, Walter Lippmann wrote of the tremendous power of the press:

The news of the day as it reaches the newspaper office is

6. *Pennekamp* v. *Florida*, 328 U.S., 1946, pp. 331 and 355-56, (concurring opinion).
7. Ben H. Bagdikian, *The Effete Conspiracy: and Other Crimes by the Press* (New York: Harper & Row, 1972) p. 6.
8. *Washington Post*, August 3, 1977, p. D13, col. 3.
9. *Washington Post*, July 24, 1977, p. G1, col. 3.

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> an incredible medley of facts, propaganda, rumor, suspicion, clues, hopes and fears . . . The power to determine each day what shall seem important and what shall be neglected is a power unlike any that has been exercised since the Pope lost his hold on the secular mind.[10]

Indeed, as Douglass Cater has more recently pointed out, those words and events, considered newsworthy by those who have staged them, might as well not have occurred if they fail to get projected and selected by the media.[11]

There was a time when the awesome power of the press faced the restraint of competition. That restraining influence, however, is disappearing. There are, today, fewer than 45 cities with two or more competing dailies and about 1,500 cities with a noncompetitive daily press; and each year more and more noncompetitive dailies are being swallowed up by the large corporate chains. *The Washington Post* reported in the summer of 1977 that within two decades "virtually all daily newspapers in America will be owned by perhaps fewer than two dozen major communications conglomerates."[12] Today, 72 percent of daily and 80 percent of Sunday newspaper circulation is controlled by companies with two or more dailies.[13] As John B. Oakes, former senior editor of *The New York Times* observed, "The perception of the press as more interested in private profit than public service is strengthened when it lobbies for special privilege and exemption from, for example, the anti-trust laws – as it did in connection with the Failing Newspaper Act a few years ago."[14]

The problem is a real one. Walter Lippmann said, "A free press exists only where newspaper readers have access to other newspapers which are competitors and rivals so that editorial comment and news reports can – regularly and promptly – be compared, verified and validated. A press monopoly is in-

10. Irving Kristol, "The Underdeveloped Profession," *The Public Interest*, Winter 1967, pp. 49-50.

11. Douglass Cater, "Remarks," in G. Will, ed., *Press, Politics, and Popular Government* (Washington, D.C.: American Enterprise for Public Policy Research, 1972) pp. 33-34.

12. *Washington Post*, July 24, 1977, p. G1, col. 3.

13. *Washington Post*, May 9, 1978, p. D10, col. 1.

14. John B. Oakes, "Dwindling Faith in the Press," *New York Times*, May 24, 1978, p. A23, col. 3.

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compatible with the free press."[15] Lippmann's warning is more pertinent now than then. Ninety-six percent of the daily newspaper cities in the country have only one newspaper. In 1910, 100 million Americans were served by 2,400 newspapers; today, 220 million are served by 1,775.[16] Sixty percent of all the individual newspapers in the country are owned by chains, compared to 30 percent in 1960.[17]

And the chains are getting bigger. Today the top 25 chains have more than 52 percent of total press circulation, compared to 38 percent in 1960. It is indeed true that (in the realm of newspaper concentration), "never before has so much been under the control of so few."[18] And now the chains are buying other chains. Most recently, for example, the 30-newspaper Newhouse chain purchased the eight Booth newspapers for $305 million, the largest newspaper transaction in history.[19] On May 8, 1978, Gannett Company and Combined Communications Corporation announced plans to merge in a $370 million exchange of stock, which, if consummated, would be even larger. The resulting parent company would be the publisher of 79 daily and 6 weekly newspapers; the owner of 21 radio and television stations, newsprint interests, the polling firm of Louis Harris and Associates; and a major force in outdoor advertising.[20]

Today's press is a far cry from the fragile printing presses that the Bill of Rights was designed to safeguard. The Washington Post Company is a vivid illustration of the change, with its 1977 revenues of $436 million and its until recently five-level presence in the nation's capital — as owner of a newspaper, a radio station, a television station, a national news magazine, and a major news service.[21] CBS, in addition to its

15. Donald McDonald, "The Media's Conflict of Interests," *Center Magazine*, November/December 1976, p. 16.

16. *Ibid.*, p. 18.

17. Ben H. Bagdikian, "Newspaper Mergers — The Final Phase," *Columbia Journalism Review*, March/April 1977, p. 18.

18. *Ibid.*, p. 19.

19. *Ibid.*, p. 18.

20. *Washington Post*, May 9, 1978, p. D8, col. 1.

21. The Washington Post Company has announced that it plans to sell its Washington am radio station to the Outlet Company of Providence, Rhode Island, and swap its Washington television station for one in Detroit, Michigan, owned by the Evening News Association. The Federal Communications Commission has approved both transactions,

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radio and television properties, controls 15 to 20 percent of the mass paperback book market. Time, Inc., besides its magazine and book publishing activities, owns a television station and television production company. It is in the process of buying a Denver cable television system for $143 million and the Book-of-the-Month Club for $63 million, and just purchased *The Washington Star* for $20 million.[22] In sum, today the press is among the most profitable business groups in America, with 15 public companies that own newspapers producing operating revenues of more than $100 million each in 1977, led by the Times-Mirror Company, publisher of *The Los Angeles Times*, with more than $1 billion.[23]

The Laws of Libel

With competition less of a restraint on the power of the press, what about the courts and libel laws? Libel laws are today much less of a restraint as a result of *The New York Times Co.* v. *Sullivan*[24] (a case which was decided in 1964) and its progeny. In *Sullivan*, the Supreme Court held that public officials should sue and collect for libel only if the libel was uttered "with knowledge that it was false or with reckless disregard of whether it was false or not."[25] This double standard against public officials and in favor of newspapers was further broadened to include "public figures"[26] and then even private individuals who might be involved in "an issue of public or general concern."[27]

Subsequent Supreme Court pronouncements in *Gertz* v.

and as of this writing the former swap has been accomplished and the the latter sale is imminent. *Washington Post*, December 7, 1977, p. A1, col. 5; Joanne Ostrow, "Ch. 9: Local News Once Removed," *Washington Journalism Review*, April/May 1978, p. 21; Charles B. Seib, "The First Amendment as Corporate Business," *Washington Post*, May 26, 1978, p. A21, col. 4.

22. Address by Marvin L. Stone, Editor, *U.S. News & World Report*, "Journalism in Chains," 1977 Annual Meeting of the American Association of State Colleges and Universities, in Orlando, Florida, December 6, 1977, pp. 2-3; Joseph Volz, "Star Sold: As Time Goes Buy. . .," *Washington Journalism Review*, April/May 1978, p. 22.

23. Seib, *supra* note 21.

24. 376 U.S., 1964, p. 254.

25. *Ibid.*, pp. 279-80.

26. *Curtis Publishing Co.* v. *Butts*; *Associated Press* v. *Walker*, 388 U.S., 1967, p. 130.

27. *Rosenbloom* v. *Metromedia, Inc.*, 403 U.S., 1971, pp. 29 and 44.

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Robert Welch, Inc.[28] and *Time, Inc.* v. *Firestone*[29] refined the libel laws vis-a-vis the press to the point where, in the words of Columbia Law Professor Alfred Hill:

> . . . at the present time media defendants cannot be held for defamation of public officers or public figures except for misconduct that is willful or reckless (the *Sullivan* rule); and cannot be held liable for defamation of private persons, or of public persons in their private capacities, except upon a showing of "fault," which probably is satisfied by proof of negligence (the *Gertz* rule).[30]

Two recent United States Court of Appeals decisions have marked even further expansions of the libel law umbrella offering protection to the press. In *Edwards* v. *National Audubon Society, Inc.*,[31] decided on May 25, 1977, the Second Circuit overruled a lower court decision which found a libel had been committed with malice by *The New York Times* in an article labeling certain scientists as "paid liars." The Court, without challenging the fact that the charge was false and without condoning "the mischievous and unwarranted assault on the good name" of the scientists, ruled that the reporting was justified because the charges were "newsworthy," regardless of their falsity![32]

The same Circuit Court again reversed a lower court decision on November 8, 1977, in *Herbert* v. *Lando*,[33] in which former Army Lieutenant Colonel Anthony Herbert sued for libel perpetrated in the production and dissemination of a CBS "60 Minutes" episode entitled "The Selling of Colonel Herbert." Notwithstanding the fact that under *Sullivan*, Colonel Herbert carried the burden of proving that the journalists acted with actual malice, the majority of three ruling judges held that Colonel Herbert could not make pre-trial discovery inquiries into the journalists' states of mind. The dissenting judge signed an opinion observing that the "notion that a

28. 418 U.S., 1974, p. 323.
29. 424 U.S., 1976, p. 448.
30. Alfred Hill, "Defamation and Privacy under the First Amendment," *Columbia Law Review*, v. 76, no. 8, December 1976, pp. 1205 and 1212.
31. 556 F.2d, 1977, p. 113 (2d Cir.), *cert. denied*, 434 U.S., p. 1002.
32. 556 F.2d, p. 122.
33. 46 U.S.L.W., (2d Cir.) Nov. 7, 1977, No. 77-7142, p. 2251, *cert. granted*, 55 L. Ed. 2d, 1978, No. 77-1105, p. 515.

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plaintiff carrying such a burden should be denied the right to ask what the defendant's mental state was is remarkable on its face."[34] The press, not surprisingly, applauded the decision.[35] John P. Roche, however, more a professor than a journalist, summed up the practical result of the decision best when he wrote that it "makes the rule of malice simply a Catch-22, a logical cul-de-sac. If the Supreme Court accepts this weird formulation, public figures will be utterly defenseless."[36] Echoing that sentiment, a federal district judge, in apparently the first lower court case to rely on *Herbert*, suggested that the decision virtually rules out libel suits brought by public officials and rhetorically asked, "Are men and women of honor who happen to be public figures to right vicious dangers hereafter by resort to fisticuffs or dueling?"[37]

The doctrine of tortious invasion of privacy, closely linked but distinguishable from libel, has also proven to be most accommodating to the press. Reluctance on the part of the courts to restrain the media had its most visible manifestation in the 1975 Supreme Court decision of *Cox Broadcasting Corp.* v. *Cohn*.[38] In this case, defendant Cox Broadcasting published the name of a rape victim determined from examination of a public indictment, although a Georgia statute made it a misdemeanor to effect "public dissemination" of the identity of such a victim. In reversing Georgia's highest state court's determination that a cause of action for invasion of privacy would be appropriate, the Supreme Court sweepingly declared the immunity of the media from liability for truthfully reporting that which was available to the public in official court records. Implied in this ruling is the possibility that this policy could be extended to other public records as well.

The Growing Power of the Press

Ben Bagdikian, in commenting further on the power of the press, pointed out that nobody likes to make an enemy

34. *Herbert* v. *Lando*, No. 77-7142, slip op, Nov. 7, 1977, pp. 264-265 (2d Cir.); *Wall Street Journal*, November 8, 1977, p. 8, col. 2.

35. *Washington Post*, November 9, 1977, p. A22, col. 1.

36. John P. Roche, "Libel Rulings Make Public Figures Unfair Game," *Washington Star*, November 23, 1977, p. A9, col. 5.

37. Jerry Knight, "Judge Says Fighting is Only Libel Remedy," *Washington Post*, November 30, 1977, p. D11, col. 2.

38. 420 U.S., 1975, p. 469.

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of the town crier. Not only, he said, is the press protected by the Constitution as it is now interpreted by the Supreme Court, but very often it has additional protection as government officials hesitate to apply other laws (such as antitrust laws) to the press. He writes, "The press is traditionally permitted to go further and is reprimanded more gently about corporate transgressions than are other enterprises."[39]

What we see in the press is a powerful, ever-growing institution with huge financial resources to supplement the power it wields in its control over the dissemination of news, but with fewer and fewer restraints on that power. What should society do in the face of that power and the dangers arising out of its abuses? Believers in democracy, obviously, understand the dangers to a free society that would arise from attempts to impose government regulation as a method of correcting the abuses. The danger, however, is that unless the abuses are corrected, there may well be increasing demands within society for effective government restraints. What is left to consider, therefore, is whether or not self-restraint by the media is a likely alternative.

Professionalism is a form of self-restraint, particularly when it is accompanied by good intentions. Regrettably, however, we remember Irving Kristol's characterization of journalism as "the underdeveloped profession."[40] It is appropriate to analyze the actual functioning of the media in evaluating the extent of its professionalism.

Critics of the press have pointed out that the difficulties in accurately presenting information to the body politic begin with the very first principle of modern journalism. Schools of journalism teach that news stories must begin with a "lead," defined as "an attention arresting sentence." It is here that the process of distortion is likely to begin.

In television, this is accomplished by what Walter Cronkite recently called the "hypercompression" of the news. He said:

> We fall far short of presenting all or a good part of the news each day that a citizen would need to intelligently exercise his franchise in this democracy. So as he depends more and more on us, presumably the depth of knowledge of the average man diminishes. This clearly can lead to

39. Bagdikian, *supra* note 7, p. 61.
40. Kristol, *supra* note 10, p. 36.

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disaster in a democracy.[41]

The emphasis on drawing attention in order to sell newspapers, produce profits and gain influence is one of the serious problems faced by modern journalism. A recent issue of the *Columbia Journalism Review* highlights this troublesome trend with an article by Fergus M. Bordewich, "Supermarketing the Newspaper," that reports a growing emphasis on rapes, robberies and accidents. "Many papers are becoming so breezy you can hear the whistling through the holes where the news might have been."[42] In a frantic effort to recapture the attention of their readers, the press is now emphasizing what John B. Oakes terms "chewing gum for the brain." Oakes goes on to observe that "To the degree that this tendency downgrades those traditional mainstays of news, information and opinion which the First Amendment was obviously designed to protect, American journalism is weakening its moral if not its legal claim on the public to that special status it has rightly held in our society."[43]

A corollary to this is the editor's love for the "scoop." This adds to an already feverish drive for the sensational story and has a tendency to result in overplays that tend to distort not only the story itself, but the balance of news in our newspapers.

This distortion is also related to the growing importance of investigative journalism. The success of *The Washington Post* in its Watergate investigation has stimulated other newspapers to set up investigative squads. Increasingly it is the investigative reporter who receives the awards that journalists bestow upon themselves.

The Rise of the "New Journalism"

In this examination of professionalism and its relation to the press, it is relevant to note the development of what has been called "new journalism," a theory which asserts that the responsibility of the press is "to discover truth, not merely facts."[44] Other variations of this new type of journalism are

41. Address by Walter Cronkite, Radio and Television Directors Association Conference, in Miami Beach, Florida, December 13, 1976.

42. Fergus M. Bordewich, "Supermarketing the Newspaper," *Columbia Journalism Review*, September/October 1977, p. 30.

43. Oakes, *supra* note 14.

44. Paul H. Weaver, "The New Journalism and the Old — Thoughts After Watergate," *The Public Interest*, Spring 1974, p. 67.

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"advocacy journalism" or "personal journalism."[45] In either variation, the reporter is encouraged to indicate and further his point of view in his news stories. Objectivity is ridiculed as being impossible to attain.

This has just meant that to an unprecedented extent, the media have not just reported events, but have stimulated, sometimes created, and even actively participated in those events.

It is here appropriate to quote a statement of Ben Bradlee, the pragmatic executive editor of *The Washington Post*, who said, "The press won in Watergate." Bradlee went on to make clear that he understood the implications of that declaration of victory by adding the caveat, "I believe, though, that power corrupts. We are in a powerful position and I hope we don't misuse it."[46]

It is understandable that a significant segment of the media has become impatient with its limited information dissemination role. It is not easy and frequently not exciting for an intelligent person simply to report events. The tendency, therefore, has been for imaginative and socially dedicated journalists to go beyond normal reporting in order to seek fuller expression of their talents or social values.

We must not forget, however, that these tendencies to develop a social, messianic role for the media, when added to the already feverish drive for the sensational story and the scoop, lead to further dispositions that should concern us.

Max Frankel, the editorial page editor of *The New York Times*, admitted the tendency of some journalists, especially the new recruits, to be impatient with standards of objectivity or with any standard that would prevent them from placing their own views before the public.[47] Asserting that "the new permissiveness is carried too far," Charles B. Seib, the ombudsman for *The Washington Post*, recently wrote that "It is a rare day that I don't see a news story that betrays a reporter's feelings in a way an editor of the old school would not have tolerated."[48]

45. *U.S. News & World Report*, August 2, 1976, p. 24.
46. Confirmed in telephone conversation with Ben Bradlee, December 5, 1977.
47. Confirmed in telephone conversation with Max Frankel, December 1, 1977.
48. Charles B. Seib, "The New Reporters: Whistling Advocates,"

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What are those views? Here we have some guidance in the form of the results of a Daniel Yankelovich survey which indicate that there is a serious gap in values between the bulk of journalists and society as a whole.[49]

Journalists are reported to have an instinctive suspicion and distrust of authority, particularly governmental authority. Frank Mankiewicz attributes a cynicism to political journalists, an assumption, for example, that no candidate ever advocates programs for reasons other than to get votes.[50] There are also troublesome signs of a homogeneity of political, social and economic attitudes. Theodore White described national journalists as a "self-selected group"[51] drawn from a social and educational elite affected by what Lionel Trilling termed the "adversary culture."[52]

Increasingly, journalists see it as their function to place before the public the needs of society as they see them. Roger Mudd of CBS stated this clearly, "What the national media, and mainly television, have done is to believe that their chief duty is to put before the nation its unfinished business. . . . The media have become the nation's critics, and as critics no political administration, regardless of how hard it tries, will satisfy them."[53]

This is an interesting development. Traditionally in our democracy, the nation's political agenda was the prerogative of the politician seeking and then elected to public office. Now the media are assuming that role. In addition to looking upon himself as a defender of people, the journalist now looks upon himself increasingly as a spokesman for the people; and yet, as the Daniel Yankelovich survey demonstrates, his values and the values of the society he would speak for are not the

Washington Post, January 13, 1978, p. A13, col. 1.

49. Confirmed in telephone conversation with James B. Lindheim, Senior Vice President, Yankelovich, Skelly and White, Inc., of New York City, New York, December 6, 1977.

50. Henry Fairlie, "Press Against Politics," *The New Republic*, November 13, 1976, p. 14.

51. Theodore H. White, "America's Two Cultures," *Columbia Journalism Review*, Winter 1969-70, p. 8.

52. Lionel Trilling, *Beyond Culture* (New York: Viking Press, 1968). See Daniel P. Moynihan, "The Presidency and the Press," *Commentary*, March 1971, p. 43.

53. Irving Kristol, "Crisis for Journalism: The Missing Elite," in G. Will, ed., *Press, Politics and Popular Government* (Washington, D.C.: American Enterprise for Public Policy Research, 1972) p. 50.

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same.

The fact is that many reporters tend to think of themselves as representing the people in a disinterested way and with a purity of motive that a self-serving politician selfishly seeking votes cannot hope to duplicate. And yet, it is a strength of democracy that politicians are and should be aware of and responsive to voters. The English observer, Henry Fairlie, asserting that politicians "are the most hopeful messengers of a society's will to improve" and that "the political world is inherently good," complained that:

> Political journalists have been seduced into believing that politics is probably, if not necessarily, ignoble. . . . It is as if every journalist is afraid that he might be caught in believing in something or in somebody. Yet on the whole, the political world in the past 200 years has accomplished a great deal of good for a vast number of people.[54]

Analyses of Possible Media Bias

There is substantial evidence that television became a potent influence in turning public opinion against the Vietnam War. Edward J. Epstein early and conclusively demonstrated that the three television networks all began treating the war negatively after the Tet offensive.[55] Any doubts as to this effect were put to rest with the publication of Peter Braestrup's two-volume study on how the American press and television interpreted the Tet crisis.[56] The American media virtually single-handedly turned a significant victory for American and South Vietnamese troops into a demoralizing defeat, leading the tight-lipped Dean Rusk to ask some journalists, "There gets to be a point when the question is: Whose side are you on?"[57] Analyzing the Braestrup study, John P. Roche recently described this period as "a shameful episode in the annals of the American media."[58]

54. Fairlie, *supra* note 50.

55. Edward J. Epstein, *Between Fact and Fiction: The Problem of Journalism* (New York: Vintage Books, 1975) pp. 210-232.

56. Peter Braestrup, *Big Story: How the American Press and Television Reported and Interpreted the Crisis of Tet-1968 in Vietnam and Washington* (Boulder, Colorado: Westview Press, 1977).

57. Tom Wicker, *On Press* (New York: Viking Press, 1978) p. 11.

58. John P. Roche, "New Book on Tet Offensive Shows Shameful Behavior of the Press," *Washington Star*, July 27, 1977, p. A15, col. 5.

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Dr. Ernest W. Lefever, in his analysis of the CBS Evening News programs in 1972 and 1973, also produced very impressive data with respect to the media and national defense.[59] He found, for example, that stories on Vietnam that were critical of U.S. policy were aired 651 times in 1972, while stories that supported American policies were aired 153 times. On national defense generally, he found that major policy questions were "almost totally neglected." Nearly two-thirds of the stories that year presented the U.S. military in an unfavorable light, while in only 13 percent was it shown in a favorable light. Statements by newsmakers who were critical of official policies and wanted the U.S. either to get out or cut back in Vietnam were quoted 842 times in 1972, while those who wanted to see the war pursued more vigorously were quoted 23 times that year, a ratio of 36 to 1.

James Reston recognized that reality when he drew the following conclusion: "Maybe the historians will agree that the reporters and the cameras were decisive in the end. They brought the issue of the war to the people, before the Congress and the courts, and forced the withdrawal of American power from Vietnam."[60] And yet it is clear that Robert Bartley of *The Wall Street Journal* is correct in stating that the essence of "professionalism" is the setting aside of personal attitudes when writing stories or preparing a broadcast.[61]

"Selective Morality" in the Media

Personal opinion and bias, however, are not the only ingredients in news selectivity.

According to reliable sources, the death toll in Cambodia from beatings, shootings, starvation and forced labor has reached an estimated 1.8 million to 2.5 million victims since April 17, 1975, when the communists seized control.[62] This

59. Ernest W. Lefever, *TV and National Defense: An Analysis of CBS News, 1972-73* (Boston, Virginia: Institute for American Strategy Press, 1974).

60. James Reston, "The End of the Tunnel," *New York Times*, April 30, 1975, p. 41, col. 1.

61. Robert L. Bartley, "The Press: Adversary, Surrogate Sovereign, or Both?" in G. Will, ed., *Press, Politics, and Popular Government* (Washington, D.C.: American Enterprise for Public Policy Research, 1972) p. 14.

62. Jack Anderson, "In Cambodia, Obliterating a Culture," *Washington Post*, May 2, 1978, p. B12, col. 4.

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plight of the Cambodians has appeared regularly over the French news wire services, dating from the Khmer Rouge guerrillas' capturing of the country. The American daily press, however, until recently, largely ignored the modern-day holocaust in Cambodia. *The Wall Street Journal* suggested that the horrible crimes of the Cambodian communists had attracted less attention than much smaller crimes in other countries "because they are inflicted in the name of revolution," a view substantiated in part by Anthony Lewis' statement that the reports were met with skepticism because they came from "right-wing quarters."[63]

Contrast this, however, with the news from South Africa, Israel, and Panama, now considered to be "hotspots." Every death in South Africa understandably brings with it thorough news and television coverage. Massacres and mass executions in many Third World countries have warranted only a few paragraphs, if anything, but rock-throwing incidents on the West Bank of Israel or a single regrettable killing in Bethlehem have evoked front page news stories and photographs. And, while the Senate debated the Canal treaties, the dozens of newspaper and television correspondents who had descended on Panama in anticipation of "trouble" if the treaties were not ratified, struggled "to find anything to report." The burning of the treaties in front of the United States Embassy, for example, became a major news event. "Sporadic demonstrations by leftist students," according to *The New York Times*, were "something of a godsend" to the reporters even when there were more journalists present than protesters.[64]

It is ironic that some of this overabundance of coverage is due to the fact that the press can be found only where it is permitted to be. It is difficult to cover the story of a slaughter in Cambodia or the training of terrorists in Libya where no American press is permitted.

Walter Laqueur's book, *Terrorism*, points out that the media act as a selective magnifying glass, enormously attracted to terrorism because of its mystery, quick action, tension and drama. The terrorists in turn depend on that publicity and media attention. As J. Bowyer Bell of Columbia University

63. Reed Irvine, "Notes from the Editor's Cuff," *AIM Report*, Supplement, November 1, 1977; *AIM Report*, Part II, May 1978.

64. Alan Riding, "Reporter's Notebook: In Panama, A Subdued Sense of Helplessness," *New York Times*, April 13, 1978, p. 9, col. 2.

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has pointed out, terrorism and media coverage exist in a symbiotic relationship. Television no longer just responds to a terrorist-event; it becomes an integral part of the event.[65] According to Laqueur, "The media, with their in-built tendency towards sensationalism, have always magnified terrorist exploits quite irrespective of their intrinsic importance. . . . All modern terrorist groups need publicity; the smaller they are, the more they depend on it, and this has, to a large extent, affected the choice of their targets."[66] The fact is the press and the terrorists feed on each other.

As an example, Laqueur cites the Algerian rebels of the 1950s who deliberately transferred their struggle from the countryside to the capital, even though they knew they could not win the battle for the capital. One of their leaders is quoted as saying that if there were killings in the countryside, nobody would notice; but that a small incident in Algiers would draw the attention of the international press and give them the publicity they needed. This proved to be true. The rebels were beaten in the capital, but won what proved to be the decisive battle for publicity.[67]

The media role in terrorist threats is producing growing concern at home as well. The Son of Sam press coverage led the *New Yorker* to complain, "By transforming a killer into a celebrity, the press has not merely encouraged but perhaps driven him to strike again — and may have stirred others brooding madly over their grievances to act."[68]

Does the holding of a police captain in Ohio by one man justify banner headlines all over the country? Is our definition of "news" such that individual gunmen or bands of gunmen can command constant and dramatic national media attention? The news director of the CBS affiliate in Cleveland, Virgil Dominic, expressed this concern well when he stated after the fact, "We feel that the coverage we give such incidents is partly to blame, for we are glorifying lawbreakers, we are making heroes out of non-heroes. In effect, we are losing control over

65. J. Bowyer Bell, "Terrorist Scripts and Live-Action Spectaculars," *Columbia Journalism Review*, May/June 1978, p. 48.

66. Walter Laqueur, *Terrorism* (Boston: Little, Brown and Company, 1977) pp. 109-110.

67. *Ibid.*, p. 109.

68. *New Yorker*, August 15, 1977, p. 21.

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our news departments. We are being used."[69]

The dean of The Annenberg School of Communications at the University of Pennsylvania, George Gerbner, is not at all sanguine that these concerns will produce change in behavior patterns of the media, because such stories, he says, "fit exactly into the media pattern" in that they are dramatic and provide good action-filled film. He states, "For the media it's a tremendous competitive situation, and as long as they can attract attention and ratings by covering these things, they will."[70] The question posed by A. M. Rosenthal, executive director of *The New York Times*, was "whether we are reporting these things or capitalizing on them."[71]

There are crucial questions concerning international and domestic policy that are crying for public information, discussion and knowledge. But again, it is easier and more rewarding for reporters to be assigned to cover the dramatic scoops and the scandals. Reporters on the diplomatic beat complain constantly that they have inadequate assistance and receive little attention except in cases of crisis.

Detente has been a dominant theme of American foreign policy in the past few years. Senator Fulbright, when he was Chairman of the Senate Foreign Relations Committee, complained that the press was uninterested in the extensive and thoughtful hearings on the subject held by his Committee. At one time, he implied that they had mistakenly held the hearings in the open. It would have been far better, he suggested, to have held the hearings in secrecy and then to have leaked the transcripts. In that way, they would have received generous press attention.[72]

The Presidential Campaign of 1976

Two years ago we were in the midst of a Presidential political campaign. The role of the media in candidate selection merits particular attention in an analysis of the media's power, responsibility and professionalism.

69. Philip Revzin, "A Reporter Looks at Media Role in Terror Threats," *Wall Street Journal*, March 14, 1977, p. 16, col. 6.

70. *Ibid.*

71. Charles B. Seib, "Free Press, Fair Trial – In Theory, in Practice," *Washington Post*, August 19, 1977, p. A27, col. 1.

72. J. William Fulbright, "Fulbright on the Press," *Columbia Journalism Review*, November/December 1975, p. 42.

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The Democratic Party, as part of its reform package, had eliminated the "winner-take-all" concept in state primary campaigns. It had opted for a system of proportionate division within each state, reasoning that the normal, narrow margins in single primary elections are only small indicators of popularity in a multi-contest process. But the media thought otherwise. Roger Mudd, on January 19, 1976, said on the CBS Evening News, "It's not exactly the precise figures that will be important, it's whether or not the media and the politicians agree that this man won and this man lost."[73]

Professor Thomas E. Patterson of Syracuse University, in a paper which he delivered to the American Political Science Association, analyzed the press coverage of the 1976 Presidential primaries and concluded that to the media "only the winner in a state seemed important. No matter how close the voting, the headlines and most of the coverage went to the winner, and he alone. . . . Moreover, the press showed little hesitancy in projecting the results of a single primary." The result was an exaggerated picture of a candidate's national standing, one that the press with its coverage had helped to create.[74]

In the first state to choose delegates, Carter secured 28 percent of the Iowa caucus vote on January 19, 1976. Mudd named him the "clear winner," asserting that "no amount of bad-mouthing by the others can lessen the importance of Jimmy Carter's finish."[75] It is interesting that in this period, the Gallup Poll showed Carter with only a 5 percent national standing, behind six other candidates.[76]

In New Hampshire, Carter was first past the post in the primary with 30 percent of the vote; 60 percent of the state's electorate had voted for one of the four more "liberal" candidates. But, according to Walter Cronkite, the results gave Carter "a commanding head start in the race" and Roger Mudd proclaimed that Carter's victory "was substantial."[77] NBC's

73. Paul H. Weaver, "Captives of Melodrama," *New York Times Magazine*, August 29, 1976, p. 6.

74. Address by Thomas E. Patterson, "Press Coverage and Candidate Success in Presidential Primaries: The 1976 Democratic Race," 1977 Annual Meeting of the American Political Science Association, in Washington, D.C., September 1-4, 1977, p. 1.

75. Weaver, *supra* note 73.

76. Patterson, *supra* note 74, p. 4, n. 2.

77. Weaver, *supra* note 73, p. 51.

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Tom Pettit called Carter "the man to beat"; *Newsweek* declared him the "unqualified winner." Not only did Carter's face appear on the covers of *Time* and *Newsweek*, but on the inside pages he received 2,630 lines of coverage, while Udall, the candidate in second place received 96 lines. All of Carter's opponents together received 300 lines. The week after the New Hampshire primary, Carter received three times the television evening news coverage of his major rivals and four times as much front page newspaper coverage.[78]

One week later, Senator Henry Jackson won the much larger Massachusetts primary with 23 percent of the vote. Paul H. Weaver, writing in *The New York Times Magazine*, pointed out that reporters did not like Jackson and that television therefore dismissed his victories as special cases. Whereas Carter's win in New Hampshire was considered a "substantial victory," giving him "a commanding head start," Jackson's vote in a state seven times as large was looked upon only as "a strong finish" that "scrambled the race." Carter's 23,000 votes merited a great deal of respectful talk about this momentum; Jackson's 163,000 votes elicited little more than surprise.[79]

When Jackson went on to win in New York (the second largest state), Roger Mudd said that his winning coalition was "peculiar to New York" and Leslie Stahl of CBS News declared that his victory did not give him momentum.[80] In absolute terms, television news coverage of the New York primary was only 25 percent of that of New Hampshire. Each New Hampshire vote received 170 times the amount of coverage given a New York vote.[81] It very well may be the case, as Professor Michael J. Robinson of Catholic University concludes, that Senator Jackson was the candidate chiefly "victimized" by the media coverage in 1976: in those six early primary states where Jackson had been a contestant, he had actually beaten Carter by over 300,000 votes.[82]

Professor Patterson's study showed that during the early

78. Patterson, *supra* note 74, p. 6.
79. Weaver, *supra* note 73, p. 51.
80. *Ibid.*, p. 56.
81. Michael J. Robinson, "Television and American Politics 1956-1976," *The Public Interest*, Summer 1977, p. 17.
82. Michael J. Robinson, "TV's Newest Program: The 'Presidential Nominations Game,' " *Public Opinion*, May/June 1978, p. 43.

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Democratic primaries, "Carter simply dominated the election reporting. In the critical period between the New Hampshire and Pennsylvania primaries he received 43 percent of the network evening news time given the Democratic contenders, 59 percent of the space in *Time* and *Newsweek*, and 46 percent of the newspaper coverage." Jackson and Udall, on the other hand, each received less than 20 percent of this newspaper and television coverage and even less of the magazine coverage. "Moreover," the study continued, "Carter's coverage was more prominent than the others. He was the candidate who was most often in the opening lines of lead stories, the one who got most of the headlines, the one who was pictured and filmed the most."[83] In the week following the January 19 Iowa caucus, *Time* and *Newsweek* devoted 726 lines to Carter's candidacy, while the other candidates were granted 30 lines apiece. Carter was the subject of special coverage on the TV news programs, receiving, according to Professor Patterson's analysis, "about five times as much exposure as each of his major rivals. As for the newspapers, Carter received an estimated four times the column inches of his typical opponent."[84]

Presidential primaries attract attention, particularly the one in New Hampshire. In fact, Professor Robinson has formulated what he terms the "dismal" theory that "the key to winning the nomination is merely to be *declared* the winner by the networks in the New Hampshire primary."[85] It is often "forgotten," for instance that President Johnson received a majority of the votes in the 1968 New Hampshire primary, but Eugene McCarthy was "declared" the real winner by the press. Robinson points out that before the 1976 New Hampshire primary, 11 states held caucuses or conventions and that these states accounted for a total of 587 delegates compared to New Hampshire's 38. Yet, the news stories on those 11 states represented less than 10 percent of the total networks' political news stories compared to 23 percent for New Hampshire alone. Delegate for delegate, that is, New Hampshire received more than 80 times as much coverage as those early non-primary states.[86]

83. Patterson, *supra* note 74., pp. 3-4.
84. *Ibid.*, p. 5.
85. Robinson, *supra* note 82, p. 42.
86. Weaver, *supra* note 73, p. 51.

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In the three months before the New Hampshire primary, according to Patterson, 54 percent of the campaign news on television and 34 percent of the campaign stories in newspapers were entirely or mostly about New Hampshire. By comparison, the Massachusetts primary, which followed New Hampshire's by a week and in which six times as many delegates were at stake, was the topic of only one in ten news stories.[87] Yet, New Hampshire contributed only 17 of the 3,008 delegates to the Convention, approximately one in every 175.[88]

From all of this media concentration, concludes Patterson, "most people came to know only one of the candidates – Carter."[89] Public recognition of Carter quadrupled.[90] That this proved helpful to Carter is indisputable. The influence of the media in the 1976 nomination process was clear and may well have been decisive.

The Presidential Campaign of 1968

The death of Senator Hubert H. Humphrey and the extensive media attention to it recalls the Presidential campaign of 1968 and the crucial role played by the media, which, in the opinion, of many, may have tilted that close election toward Richard Nixon.

The Chicago convention of the Democratic Party and the manner in which it was reported portrayed a party that was unfit to govern and unable to cope with its own internal violence and disruption. *Baltimore Sun* Washington columnist, Ernest B. Furgurson, summarized the views of many observers when he wrote that television made Humphrey's nomination "seem worthless" with its "out of balance" reporting. "Television," he wrote, "came to Chicago in a bad mood" as a result of Lyndon Johnson's refusal to accommodate the networks by holding the convention in Miami Beach, the Republican site, which would have saved them millions of dollars. In Chicago, they were harassed by a telephone strike and by Mayor Daley's refusal to exempt their broadcasting trailers from parking regulations around the major hotels.[91]

87. Patterson, *supra* note 74, p. 5, n. 4.
88. *Ibid.*, p. 6.
89. *Ibid.*, p. 7.
90. *Ibid.*, p. 9.
91. Ernest B. Furgurson, "Anniversary of Chicago," *Baltimore Sun*,

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There was violence in Chicago. There was also, however, violence in Miami Beach during the Republican Convention. In Chicago, sniper fire was reported; there were no deaths; and no curfew was imposed. In Miami, six persons were killed and the riot area was put under curfew. Drew Pearson and Jack Anderson, who had earlier reported in their column that the networks intended to retaliate against the Democrats by focusing attention on "disturbances" at the convention, reported that:

> The networks got their revenge. In Chicago they played up the violence which they had virtually ignored in Miami . . . anyone who watched the two conventions on television might think that Chicago was exploding with violence while Miami was comparatively peaceful. The result was an outrageously biased picture of the events in Chicago.[92]

The networks' presentation of a picture of violence which virtually ignored the fact that the demonstrations had been planned by agitators from all over the country seeking to foment trouble and attract attention through blatant provocations was enhanced further on the second day of the convention after a CBS correspondent, Dan Rather, was punched by a convention security officer. In describing this event, Theodore H. White, in his *The Making of the President — 1968*, writes, "The television networks will avenge him by spending their wrath on every security agent, every policeman, from now to the end of the convention."[93] Furgurson called it "a vindictive near-hysteria on the air" which not only affected the commentators, but also "swept through the off-camera producers and directors who began broadcasting tape as fast as it was received, making it seem that the violence in the streets was simultaneous with the nomination process in the hall — indeed, somehow, that Humphrey was being nominated by the force of police clubs."[94]

Thus, as White reports, when Carl Stokes, the Negro mayor of Cleveland, was about to second Humphrey's nomination at 9:55 P.M., the NBC film of the earlier street bloodshed was

August 28, 1969, p. A18, col. 7.

92. Drew Pearson and Jack Anderson, "Networks Slanted Chicago Coverage," *Washington Post*, September 6, 1968, p. B13, col. 5.

93. Theodore H. White, *The Making of the President — 1968* (New York: Atheneum Publishers, 1969) p. 285.

94. Furgurson, *supra* note 91.

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aired and "Stokes' dark face is being wiped from the nation's view to show blood – Hubert Humphrey being nominated in a sea of blood."[95]

Writing from personal observation, Pearson and Anderson suggested that the television cameras helped incite the violence. They "found almost no action outside the circle of the TV klieg lights." The networks, they concluded, in an effort to make news, "encouraged dissidents to make inflammatory statements and helped to stir up controversies."[96]

Humphrey was identified by the media with Daley and the police, and, therefore, as "evil" in Furgurson's perception. Network reporters looked for a political alternative and stimulated the creation of a Ted Kennedy for President boomlet, but "long after disorganized conversation among the politicians involved had faded."[97] Describing this effort of the network reporters, White says, "If the script that night had called for the discovery and dissemination of a Southern revolt or the candidacy of Lester Maddox, the reporters could have delivered that to the nation, too – all carved out of truth, from the lips of authentic and honest men on the floor."[98] Reporters proved themselves quite adept at finding delegates to mouth that which they wanted conveyed to the television audience, thus presenting a distorted view of sentiment on the convention floor.

The criticism of the television coverage of the 1968 Democratic National Convention was so strong and overwhelming that the House of Representatives Committee on Interstate and Foreign Commerce ordered a staff investigation and then published a report which, in the main, supported the criticism.[99] It presented specific evidence of distorted film editing, lack of balance, emphasis on violence, deliberate selection of unflattering camera angles in photographing Humphrey, and overall news slanting.

In early January 1969, before Richard Nixon's inauguration

95. White, *supra* note 93, p. 302.
96. Pearson & Anderson, *supra* note 92.
97. Furgurson, *supra* note 91.
98. White, *supra* note 93, p. 282, n. 6.
99. Staff of Special Subcommittee on Investigations of House Committee on Interstate and Foreign Commerce, 91st Cong., 1st Sess., *Television Coverage of the Democratic National Convention, Chicago, Illinois 1968*, Committee Print, 1969.

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as President, a world-famous network correspondent visited Vice President Humphrey in his White House office and tearfully apologized: "We defeated you, Hubert" was the confession.

At that time another friend commented that the press was so hostile to the Vice President that if he had walked across the Potomac, the headline would read "Hubert Cannot Swim."

Falling Confidence in the Media

It has been said that the media have been acquiring an unwholesome fascination with the singer to the neglect of the song, placing an excess of emphasis on personalities and not enough on policy.[100] The crucial ingredient for gaining press attention seems to be violence and scandal, whether it is corporate, political or personal. As in the days of "yellow journalism," news programs appear to move from one disaster to another: air crashes, earthquakes, floods, sex. In a speech to the Associated Press, then outgoing president, Wes Gallagher warned, "Too many readers are beginning to look upon the press as a multivoiced shrew, nitpicking through the debris of government decisions for scandals but not solutions."[101] Expressing growing concern, *The Wall Street Journal*'s able investigative reporter, Jerry Landauer, warned that as scandals have come to "dominate the news," competitive pressures will be apt to "overshadow fair play, resulting in overstated coverage" until a new "scandal" emerges.[102]

When contrasted with daily newspapers, the sensationalism of television journalism may well be more evident and thus more serious. Since seeing journalists, rather than just reading their stories, makes them appear more credible as well as more familiar, their influence is that much greater. Professor Michael J. Robinson was led to conclude that "the networks produce an image of society that tends to be both melodramatic and probably inordinately negative."[103]

The cumulative effect of these shortcomings is a diminishing of public confidence in journalism and that, in itself, is a danger to democracy. The Harris Poll reports that confidence in tele-

100. Fulbright, *supra* note 72, p. 41-42.

101. *U.S. News & World Report*, August 2, 1976, p. 22.

102. Jerry Landauer, "The Press and 'Koreagate,' " *Wall Street Journal*, October 6, 1977, p. 20, col. 3.

103. Robinson, *supra* note 81, p. 28.

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vision news fell from 35 percent in 1975 to 28 percent in both 1976 and 1977; confidence in the press fell from 26 percent in 1975 to 20 percent in 1976 and to 18 percent in 1977.[104] A nationwide survey conducted through the University of Texas found that 84.4 percent of those responding believed that journalists sometimes slant the news. Indeed, 71.6 percent of the journalists reached the same conclusion.[105]

> A. H. Raskin, an editor of *The New York Times*, once said: No week passes without someone prominent in politics, industry, labor or civic affairs complaining to me, always in virtually identical terms: "Whenever I read a story about something in which I really know what is going on, I'm astonished at how little of what is important gets into the papers – and how often even that little is wrong."[106]

As has often been observed, there are two Americas – the America you see on your television screen and the America you see when you walk out of your front door.

James Reston recently stated, "The credit of the American newspapers with the American people for accuracy and judgment is not high."[107] It has, of course, from the beginning of our history, never been high with political figures; Spiro Agnew's hyperbole was not unique. Lyndon Johnson's press secretary, Bill Moyers, provided this report of a Cabinet meeting, "The President was much inflamed, got into one of those passions when he cannot command himself, ran on much on the personal abuse which has been bestowed on him, defied any man on earth to produce one single act of his since he had been in the government which was not done on the purest motives. . ."[108] Mr. Moyers was not referring to President Lyndon Johnson, but was quoting Secretary of State Thomas Jefferson describing President George Washington.

At the end of his second term in office, Harry Truman wrote

104. Louis Harris, *Confidence Climbing* (The Harris Survey Press Release of March 14, 1977).

105. *U.S. News & World Report*, April 29, 1974, p. 33.

106. A. H. Raskin, "What's Wrong with American Newspapers?" *New York Times Magazine*, June 11, 1967, p. 77.

107. Confirmed in telephone conversation with James Reston December 6, 1977.

108. B. Adler, ed., *The Washington Wits* (New York, Macmillan Publishing Company, Inc., 1967) p. 195.

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to a friend, "I really look with commiseration over the great body of my fellow citizens, who, reading newspapers, live and die in the belief that they have known something of what has been passing in the world in their time."[109]

On the same theme, Theodore Sorenson, after returning to private life, wrote, "In the White House I felt sorry for those who had to make judgments on the basis of daily newspapers."[110]

Is Self-Regulation Possible?

Whether the media can face up to legitimate criticism is not clear. Raskin himself has expressed doubts on this question, considering "the unshatterable smugness" of the publishers and editors.[111] Lester Markel went further, alleging that "the press, pretending to believe that there is no credibility gap and asserting its near-infallibility, countenances no effective supervision of its operation; it has adopted a holier-than-thou attitude, citing the First Amendment and in addition the Ten Commandments and other less holy scripture."[112]

Constitutional protections of the press are today an integral part of the maintenance of our society. The dangers of government regulation of the press are clear. Inescapably, however, the power of the press presents a clear problem to our democracy.

Indeed, two Justices of the United States Supreme Court have publicly reached disparate interpretations of how the First Amendment affects the press, an intellectual disagreement that promises to send substantial constitutional ripples when ultimately faced and resolved by the entire Court. In a speech at the Yale Law School in 1974, Associate Justice Potter Stewart expressed his view that the free-press guarantee of the Constitution deliberately extends special protection to the publishing business which he claims is "the only organized private business that is given explicit Constitutional protection." Freedom of the press, he argued, means that the press was specially designated in the Constitution to be

109. Kristol, *supra* note 10, p. 49. Also quoted in Moynihan, *supra* note 52, p. 41.

110. Raskin, *supra* note 106, p. 28.

111. *Ibid.*

112. Lester Markel, "Watching the Press," *New York Times*, February 2, 1973, p. 31, col. 5.

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autonomous of the Government, so that it may provide "organized, expert scrutiny of government." As such, it requires special protections to preserve its independence.[113]

Chief Justice Warren E. Burger, in dictum of his concurring opinion in a recent unrelated case, stated a contrary position. The Chief Justice took issue with the idea that the "institutional press" has any freedom beyond or different from that of the public generally. He asserted that there is simply no historical basis for distinguishing the press in this context. "In short," he concluded, "the First Amendment does not 'belong' to any definable category of persons or entities; it belongs to all who exercise its freedom." [114] Such an attitude may very well, if manifested in Court decisions, represent a significant restraint on the power of the press.

An important lesson of history is that self-regulation is the best defense against undesirable control by the government. Walter B. Wriston, Chairman of Citicorp and a leader familiar with power, once said of the press, "History teaches that when any sector of our society grows too powerful, it is only a matter of time before that power is curbed."[115] Significantly, Ralph Nader recently released a 90-page manual designed to facilitate citizen groups in their undertaking of extensive studies of their local newspapers in an effort to make them "more accountable to the people they serve."[116] I question whether the Nader approach will prove sufficient for the task, but it may well be a preview of more intensive "consumer movement" attention to the press.

It is time for the press to come up with an initiative of its own to help solve the problems created by its great and growing power. At the present time, the media fall short of professional standards. Professions provide procedures and

113. Floyd Abrams, "Two Theories of Press Freedom Are Parallel, Yet Bound to Meet," *New York Times*, May 7, 1978, p. E11, col. 1. For a related pronouncement on how the press should be afforded special treatment in the context of Fourth Amendment searches and seizures, see *Zurcher* v. *The Stanford Daily*, 46 U.S.L.W., May 31, 1978, pp. 4546, 4552-54, U.S., Nos. 76-1484, 76-1600 (Stewart, J., concurring).

114. *First National Bank of Boston* v. *Bellotti*, 46 U.S.L.W., April 25, 1978, pp. 4371, 4379-81, U.S., No. 76-1172 (concurring opinion); Seib, *supra* note 21.

115. *U.S. News & World Report*, August 2, 1976, p. 23.

116. Larry Kramer, "Nader Urges Public to Monitor Press," *Washington Post*, April 10, 1978, p. D10, col. 1.

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standards for qualifying and disqualifying their practitioners. Lawyers, doctors and all other professionals must reach a level of training and learning before they are admitted. There are no formal standards for admission to the field of journalism.

Although Sigma Delta Phi (the society of professional journalists) has devised an ideal (but non-binding) code of ethics, there is no universally-accepted standard of professional ethics to guide and judge the behavior of newsmen or their editors. There is no procedure, external or internal, to condemn those who do not live up to a pattern of responsible conduct. Stockbrokers who sell securities and even real estate salesmen must first pass an examination to qualify and can be barred from selling their wares to the public in cases of fraud or failure to disclose pertinent data. But a newsman and his editor can inflict with relative impunity greater damage to our society by selling wares that pollute the well of information. Examinations, qualifications, standards, and "disbarments" may or may not be appropriate measures to help journalism establish professional standards for itself, but clearly, in striving for more professionalism in journalism, additional measures of self-correction are required. When the Twentieth Century Fund, on the advice of some leading figures in American journalism and based on the success of the British example, established a Press Council, such leading papers as *The New York Times* and *The Washington Post* refused to cooperate with that council.[117] Indeed, the American Society of Newspaper Editors a few years ago voted by three to one against the establishment of even its own internal grievance committee.[118]

An independent press council is necessary to consider and resolve disputes arising out of alleged unfair press treatment.

Major newspapers and television stations should invest their own independent ombudsmen, who are not members of their staffs, with authority to act to redress valid complaints. In a recent exchange, Hugh Sidey of *Time* reported that his magazine has never allowed a correction to run in its news columns. He suggested the possibility that major errors could and should be corrected in the same space, giving them the same manner of treatment.[119] Sidey makes an important

117. G. Giancardo, ed., *Problems of Journalism* (Easton, Pennsylvania: American Society of Newspaper Editors, 1973) p. 264.

118. *Ibid.*, p. 265.

119. H. Purvis, ed., *The Presidency and the Press* (University of Texas

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point, because the manner of presenting the correction is just as important as the presence of the correction itself. Charles B. Seib, a worthy prototype in his role of ombudsman for *The Washington Post*, confirms that view with his observations: "Newspaper corrections traditionally are cryptic and often grudging. The non-correcting correction . . . is not unusual. . . . The problem is that we do not devote a small amount of the enterprise and zeal we show in news-gathering to cleaning up the messes we make. . . . There is a journalistic truth. . . . The correction never catches up with the mistake."[120]

A code of ethics is needed that addresses itself to the problem of personal bias on the part of news writers and editors.

Some Legislative Alternatives

Legislation is needed that will minimize the inequitable protection now afforded the press in libel litigation and permit public figures to sue for declaratory judgments when they are defamed, even if little or no money for damages is paid. England's democracy has been able to flourish within its legal system of strict libel laws and its other rigid rules on reporting.

It is time to consider seriously antitrust measures to contain the substantial horizontal and vertical growth of communications conglomerates, such as common ownership of book publishing, newspapers, magazines, broadcasting, and paper products. The media as a market are just as subject to monopolistic and anticompetitive practices as is the market for conventional goods and services. While the promises of the First Amendment are essential to our democracy, we must not forget that, in the words of Justice Hugo Black, "That Amendment rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public."[121] The circle of public disseminators of information is not enlarging; instead, each day brings yet another indication that a relatively concentrated core of communications

at Austin: Lyndon B. Johnson School of Public Affairs, 1976) pp. 84-85.

120. Charles B. Seib, "The Case of the Outrageous Headline," *Washington Post*, April 15, 1978, p. A11, col. 1.

121. *Associated Press* v. *United States*, 326 U.S., 1945, pp. 1 and 20.

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companies are controlling even more sources of our information.

To address this problem, four legislative initiatives should be given serious consideration. A few years ago, Senator Thomas J. McIntyre proposed a bill which would limit the number of newspapers a company can own and prohibit newspaper ownership of television or radio stations in the same metropolitan area.[122] In April 1977, Congressman Morris Udall introduced legislation that would include publishing and communications in the subject matter of a proposed federal commission to look into industrial concentration, saying, "I dread the day when all American newspapers look alike, and read alike, and where there won't be much more difference in the daily papers in Topeka and New York than there is in . . . a Big Mac."[123] In April 1978, Congressman Udall, with 71 other sponsors, introduced another bill which would provide tax incentives to local newspapers so as to protect them from being acquired by chains.[124] Most recently, Congressmen Lionel Van Deerlin and Louis Frey introduced on June 7, 1978, a bill that would overhaul federal communications law by, among other methods, limiting the television networks and other owners of broadcast stations to a maximum of five television and five radio stations, although such ceilings would apply only when present owners sold or transferred properties.[125]

The Justice Department and the Federal Communications Commission have suggested or undertaken significant investigations into the possibility of divestiture of network owned-and-operated stations, reductions in the amount of programming networks are allowed to produce in-house, and other measures intended to limit network control over local stations and programming.[126] Further, just recently the Justice Department filed a civil antitrust lawsuit under Section 7 of the Clayton Act against CBS, Inc., asking that it divest itself of Fawcett Publications, Inc. It is also reported that the Federal Trade Commission is looking into the effects of last year's

122. S. 3305, 91st Cong., 2d Sess., 1970.

123. H. R. 6098, 95th Cong., 1st Sess., 1977; Kevin Phillips, "Busting the Media Trusts," *Harper's*, July 1977, p. 34.

124. H. R. 12395, 95th Cong., 2d Sess., 1978; *Washington Post*, May 9, 1978, p. D8, col. 2.

125. H. R. 13015, 95th Cong., 2d Sess., 1978; *Wall Street Journal*, June 8, 1978, p. 2, col. 2.

126. Phillips, *supra* note 123, p. 32.

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acquisition of the Book-of-the-Month Club by Time, Inc., as well as the proposed merger of Harper & Row Publishers, Inc., with J. B. Lippencott Company.[127] Finally, on June 12, 1978, a unanimous Supreme Court upheld in their entirety regulations issued by the Federal Communications Commission in 1975 to the effect that newspapers can no longer acquire radio or television stations in the same community. Although allowing most existing combinations of newspaper and broadcasting outlets to continue, the Court did require divestiture in 16 "egregious cases" in which, in relatively small communities, the combination included the sole daily newspaper and the sole clear-signal television or radio station.[128]

The tasks required to deal adequately with increasing concentration of power in the press are not simple. A serious professional effort may well require a self-reformation that could take on the characteristics of a self-revolution. The recruitment and training of editors, reporters and the like would require change. News stories would have to be written less hastily. They would probably be longer and in greater depth, possibly at the risk of not being as lively.

The challenge for the media is to come up with their own standards of professionalism and to adapt those standards to the realities of their responsibilities in a free society. There is no further room for complacency and arrogance. In short, the industry must heed the directive of one of its most eminent members, John B. Oakes, when he recently declared, "We of the press have to take much firmer steps than we have taken not only to improve quality and upgrade content but to make ourselves voluntarily more accountable as well as more accessible to the public."[129]

In summation, our country requires a political theory to suit its new role as a world power. We have had a perilously short apprenticeship to shouldering the burdens of that power. We are unfamiliar and morally uncomfortable with our new position. This makes defense policy, foreign commitments and

127. *Washington Post*, June 2, 1978, p. B8, col. 6.

128. *National Citizens Committee for Broadcasting* v. *Federal Communications Commission*, 46 U.S.L.W., June 12, 1978, p. 4609, U.S., Nos. 76-1471, 76-1521, 76-1595, 76-1604, 76-1624, 76-1685; Morton Mintz, "Press-Broadcast Merging Barred by High Court," *Washington Post*, June 13, 1978, p. A1, col. 6.

129. Oakes, *supra* note 14.

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intelligence gathering serious issues to be discussed, debated and understood.

The traditional American political philosophy based on 19th century liberal rationalism is now undergoing serious challenge and reexamination. We need a working political philosophy that will help us to deal effectively with the problems of power. The concept of power has been altered in the modern world by the revolutionary developments in technology and communication.

The intricate relationships that have always existed between freedom and authority are more complex now than they ever have been. It is difficult, but not impossible, for believers in democracy to adapt to the rapidly changing realities of modern technology.

Whether or not our institutions of society and government can work to help us mature to a responsible world power committed to democratic values is what is at stake in this year and in the years to come. The power of the media as it affects and reflects our national interests must be seen within that perspective.

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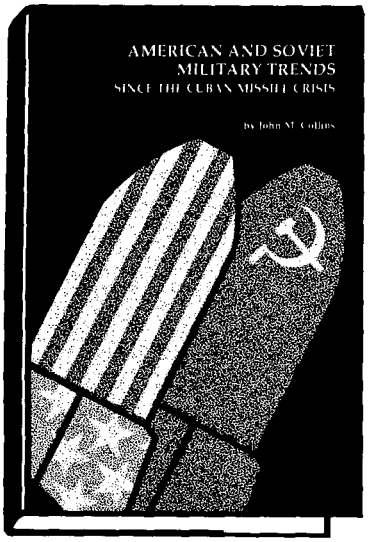

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SALT II—A Soft Bargain, A Hard Sell

EUGENE V. ROSTOW

The purpose of this paper is to examine the SALT II agreement now in prospect and to consider whether it is in the national security interest of the United States.

The subject of nuclear arms, strategic or tactical, is inherently repulsive and raises difficult moral issues. We should all agree, I am sure, that it would be better to have a treaty abolishing nuclear arms than one which aims only to limit them. In that connection, it is important to mention an episode every American should recall with pride: the 1947 offer of the Baruch Plan, which had been prepared by Dean Acheson and David Lilienthal. At that time, we had a monopoly of nuclear weapons. If we had wished to do so, we could have commanded the whole world to do our bidding. Instead, we offered to put our nuclear weapons and all we knew about nuclear science into the hands of an international agency, which would have developed nuclear energy for peaceful uses. The Soviet rejection of the Baruch Plan, along with its rejection of the Marshall Plan at about the same time, was a dismal turning point in the history of the Cold War, a signal of Stalin's decision that the Soviet Union would embark on an imperial course, rather than continue our World War II alliance through programs of peaceful post-war cooperation.

The proposal of the Baruch Plan was a singular event – bold, creative, and idealistic. I venture to predict that when the nations are tired of war and the risk of war again, bored with Empire, and exhausted by the intricacies and uncertainties of nuclear calculations, they will return to the simple ideas of the Baruch Plan. I hope so.

Meanwhile, because of the Soviet decision, we have no choice but to maintain a deterrent nuclear capability and to keep alive the hope of better days to come.

We are witnessing a process of persuasion organized by the Administration on a national scale to explain SALT II to the American people. The effort is directed by a group of political and public relations experts in the White House. They are led by Hamilton Jordan and generally known as the SALT Sellers.

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If the SALT Sellers' message were not so fervent, I should applaud their effort. The government should take pains, I believe, to explain its policies to the people. But the SALT Sellers' campaign is excessive, apocalyptic. They claim too much for the agreement. The Administration and its supporters portray those who question SALT II as monsters of iniquity who oppose arms control and detente and lust for nuclear war with the Soviet Union. The issue presented by SALT, Senator George McGovern wrote recently, is that "the alternative to arms control and detente is the bankruptcy and death of civilization." The literature is full of comparable statements.

Before I comment on the security consequences of SALT II, let me clear away some of these highly charged political matters, so that we can address the realities of the SALT problem. The questions raised by the development of nuclear weapons are difficult and important. They should not be loaded down with the burden of political myth.

Faith in Arms Limitation Agreements

For nearly a century, there has been a current of opinion in Great Britain, the United States, and the English-speaking countries, committed to the belief that arms limitation agreements are an important instrument of peace. The faith is shared in Scandinavia and the Netherlands, and it is tenaciously held, resisting the challenge of contrary experience.

Thus the arguments made for SALT today are exactly the same as those put forward in behalf of the Washington Naval Treaty of 1922 and the other arms limitation and arms reduction arrangements to which the Western governments devoted so much time, attention, and hope during the twenties.

The Washington Naval Treaty and its progeny led straight to Pearl Harbor. We, the British, and the French, lulled by the Treaty and hard pressed in any event to find money for naval building programs, let our navies slide. We did not build our full quotas or modernize our ships. The Japanese and later the Germans, on the other hand, took full advantage of their quotas. Some of us can remember what the phrase "pocket battleship" meant. The pocket battleship was a cruiser with the striking power of a battleship – a powerful, modern man-of-war built within the tonnage limits of the Treaty.

The post World-War I arms limitation agreements – demilitarization of the Rhineland and the various naval agreements –

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failed to prevent World War II. I should go further. I conclude that those agreements helped to bring on World War II by reinforcing the blind and willful optimism of the West, thus inhibiting the possibility of military preparedness and diplomatic actions that could have deterred the war.

Despite this melancholy history, we are told everywhere that the SALT II Treaty now in the final stages of negotiation will be "politically stabilizing" and that the breakdown of the SALT negotiations or the rejection of the prospective Treaty by the Senate would "end detente," "bring back the Cold War," increase the risk of nuclear and of conventional war, and revive "the arms race" which would cost us another $20, $70 or $100 billion.

These plausible and popular assertions, which tap the deepest and most generous instincts of the American people, are entirely without substance.

Let me try first to straighten out our vocabulary for talking about the phenomena we call "Cold War" and "detente." Every issue of every newspaper or magazine, every presentation of the TV or radio news speaks of "the Cold War" as something which is over and of "detente" as a political reality – a fragile reality which might be snuffed out if we talk too loudly about human rights, but a reality nonetheless. Even our Secretary of State started his tour of duty last year by referring to "detente" as a political reality. You will notice that he has given it up. He talks about "detente" today largely as an aspiration of American foreign policy, not as an improvement in Soviet-American relations or a relaxation of tensions which has actually taken place.

The notion that Soviet-American relations have improved in recent years, that the Cold War is over, that negotiation has been substituted for confrontation, and all the rest of President Nixon's Orwellian language is a fiction – a figment of President Nixon's political imagination. Everyone yearned to believe him and many people did. No one, after all, wants to hear the unpleasant news that things are what they are. Both President Nixon's successors have therefore found it expedient to follow his example in this respect, although their styles are decidedly less flamboyant.

The fact is that the Cold War is not over. On the contrary, it is worse than it has ever been, featured by Soviet threats and thrusts on a far larger scale than those of the simple days of

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the Berlin Airlift and the crisis in Greece. But as things get worse, we insist on telling each other that they are getting better. Nixon's way of talking about Soviet-American relations has become a habit. It has affected not only what we say, but also what we think and therefore what we do.

We have had a SALT agreement with the Soviet Union since 1972. It expired in 1977, but we and the Soviet Union announced simultaneously that its terms remain in effect, despite the provisions of an American statute which specifies that the United States can undertake arms limitation obligations only by treaty or statute. Far from stabilizing world politics, SALT I has been part of the most turbulent and dangerous period of the Cold War.

Let me recall a few of the key episodes of the period which the present Administration claims were stabilized by the pervasive influence of SALT I.

The Soviet Union defaulted on its obligations as a guarantor of the peace agreements of 1973 in Indo-China. Those agreements, for which Mr. Kissinger received a Nobel Prize, were treated by the Soviet Union as scraps of paper. The final North Vietnamese invasions of South Vietnam in 1974 could never have taken place without Soviet equipment and other help.

Secondly, in May, 1972, the Soviet Union promised President Nixon to cooperate with him seeking peace in the Middle East. It violated those promises by supplying, planning, encouraging, and even participating in the Arab aggression against Israel of October 1973. For the Soviet Union, that large-scale war was a strategic answer to our rapprochement with China the year before. It was intended not only to crush Israel, but also to outflank NATO, to neutralize Europe, and to drive us out of Europe and the Mediterranean. For the moment, the Soviet plan was defeated by the brilliant victory of Israel's armed forces, backed by supplies from the United States. But the Soviets patiently pursue their strategic goal.

So far as SALT itself is concerned, Secretary of State Rogers testified to the Senate that we had made a number of unilateral interpretations of the first "spirit" of the Treaty. All these unilateral interpretations of the Treaty were violated by the Soviet Union. We did nothing about them.

I could go on to discuss the Soviet role in the Bangladesh war, in Africa, and in other places. But the point is obvious and by now beyond dispute. The Soviet Union *is* engaged in a policy

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of imperial expansion all over the world, despite the supposedly benign influence of SALT I and its various commitments of cooperation to President Nixon in the name of "detente." The Soviet Union is pursuing that course with accelerating momentum. That momentum – we saw its most recent manifestations in Yemen and Afghanistan – results from two related forces: the startling buildup of Soviet strategic and conventional forces during the last sixteen years and the paralyzing impact on American politics of our collapse in Vietnam.

The Trends of the Soviet Military Budget

The growth of Soviet military power during the last sixteen years is without parallel in modern history. It has been proceeding steadily at a rate of at least 4 percent to 5 percent a year in real terms. In strategic weapons, the Soviet rate of increase has been at least 8 percent a year. Increases compounded at the rate of 5 percent or 8 percent a year over so long a period make the Soviet military establishment formidable and sinister. Both our government and the British government have said formally that the Soviet military posture and dispositions are offensive in character and cannot be explained by considerations of defense.

At the moment, the Soviet military budget is 40 percent to 80 percent more per year than our own in real terms. All such estimates and comparisons are inevitably skewed somewhat by the higher pay of our troops and other special features of our society.

Secretary of Defense Brown has used the metaphor of the tortoise and the hare to describe the relative military positions of the United States and the Soviet Union. It is an apt metaphor. We were ahead. We rested on our oars, deceived by the illusion of "overkill," and cut our military budgets by at least 50 percent. The Soviets continued to move ahead, basing their programs on extensive research of extremely high quality. Now we are behind in almost every relevant category of military power – behind in production, behind in research, and behind in programming. Although the country is becoming conscious of the problem and clearly favors restoring the United States to its Number 1 military position, our official hare is still sleeping under the tree.

The Carter Administration has proposed an increase of only

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1.8 percent a year in the defense budget and even that figure is the subject of heated argument, because of the differences between "new obligational authority," "authorization," "appropriation," and "expenditure." Suffice it to say that there is no way we could catch up to the Soviet Union at the rates proposed by President Carter and the Budget Committees of Congress. If we move only at that pace, we shall continue to fall behind in most of the relevant categories, thus increasing the risk of an irreversible slide toward war.

I believe that there is still time to head off the collision between the United States and the Soviet Union foreshadowed by these trends. Moderate rearmament, coupled with a vigorous and active diplomacy of solidarity with our allies and with China, could stabilize world politics by containing the Soviet drive for hegemony. We and our allies, together with China and other countries which perceive the Soviet threat, have more than enough power and potential power to arrest the tide of anarchy and restore a pattern of world order based on the Charter of the United Nations. But that goal cannot be achieved unless we participate as leader of the effort. Our nuclear arsenal is the indispensable foundation for any such program.

The success of such an effort will depend not upon SALT treaties but upon the reality of the military balance and the energy, self-confidence, and imagination of our diplomatic campaign. In that process, arms limitation agreements with the Soviet Union could play a modest part, if they are genuinely fair, balanced, and verifiable and are not allowed to induce euphoria about "detente." But such agreements cannot significantly alter the cost of defense for the United States by up to $100 billion as proponents of SALT claim. Those figures of extra costs if the SALT negotiation fails or if the Senate refuses to consent to the Treaty are just as fanciful as President Nixon's claims of "detente."

The Decline of American Power

Now let me turn to the substance of our problem today — the role of strategic nuclear weapons in modern politics and warfare and how SALT II, as it has been described to us, would affect our security. For nuclear weapons do not exist in isolation. Their function can be understood only in relation to the entire process of world politics as we have witnessed it since the Second World War.

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It is often said that the goal of our nuclear forces is deterrence — to deter the use of or the credible threat to use nuclear weapons in world politics. This is correct, although the proposition is often coupled with the erroneous assumption that deterrence is also the goal of Soviet nuclear policy.

Our policy of deterrence necessarily goes far beyond safeguarding the United States against the possibility of nuclear attack. We must also provide a nuclear guaranty for our interests in many parts of the world and make it possible to defend those interests by diplomacy or by conventional forces.

The relationship between nuclear and conventional force deterrence is by no means simple or mechanical. But it is fundamental. Effective American nuclear deterrence cannot alone keep the Soviet Union from using conventional forces, at least against targets they think we regard as secondary, like Vietnam or Ethiopia. In most such situations, except for massive attacks on our most vital interests, like Western Europe or Japan, defense has to be provided by conventional forces, at least in the first instance. But the absence of effective American nuclear deterrence would have a disastrous effect, denying all credibility to our conventional force deterrent.

The point is brought out by a quick review of our experience with the problem since 1945.

In the early post-war years, we had a monopoly of nuclear weapons. And for a decade or so after that — until the middle or late sixties — we had overwhelming nuclear superiority. Nonetheless, in that period we had to deal with a long series of Soviet-managed attacks on our interests, from the early threats to Iran, Greece, and Turkey and the Berlin Airlift to the war in Korea, the Cuban Missile Crisis, the war in Indo-China, and the recurrent threats to our interests in the Middle East and Africa.

We dealt with those threats by diplomacy or, when diplomacy failed, by the use of or the credible threat to use conventional forces. But the nuclear weapon was always the decisive factor in the background. During the Berlin airlift, the shadow of our nuclear monopoly kept the Soviets from firing on the allied planes and then persuaded the Soviet Union to end the blockade. The exercise had too many uncertainties and had become too risky, so the Soviet Union gave it up. In Korea, despite our nuclear monopoly, we used only conventional forces. But veiled nuclear threats, altogether

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credible after the long and bitter war, persuaded the North Koreans to come to Panmunjon in the first place and then finally brought those fantastic negotiations at least to the point of an armistice, which has held for more than twenty years.

The essence of the problem is illustrated by the Cuban Missile Crisis of 1962. There, the Soviet Union secretly undertook to introduce land-based nuclear missiles into Cuba, in violation of their assurances to us and in the face of private and public warnings from the President of the United States. Such action would have altered the basic equation of nuclear deterrence and gravely affected the credibility and effectiveness of American diplomatic warnings to the Soviet Union. At that time, we had unchallengeable nuclear superiority. If there had been a nuclear exchange, the Soviet Union would have suffered about 100 million casualties and the United States 10 million. We had equally obvious conventional force superiority in the area. If we had invaded Cuba, the Soviet Union could not have opposed the invasion effectively through the use of conventional or nuclear forces. By mobilizing an invasion force in Florida and instituting a limited naval blockade of Cuba, we demonstrated our will to insist on the evacuation of the Soviet missiles from Cuba, at a minimum. Confronted by these realities, the Soviet Union backed down.

Since 1962, the Soviet Union has been engaged in a massive military buildup, both in nuclear and conventional forces, designed to reverse the force relationships which determined the outcome of the Berlin airlift, the Korean War, and the Cuban Missile Crisis.

The first result of that buildup was evident in Vietnam. In the late sixties and early seventies, our nuclear superiority was no longer so evident as it had been at the time of the Cuban Missile Crisis; indeed, superiority had given way to stalemate. Therefore the hints which brought the Korean War to an end could no longer determine the course of events in Indo-China.

This is the true moral of Vietnam, above and beyond a good many others about the failure to press for military victory. The deterioration of our nuclear advantage led to the erosion of our position and profoundly affected the final stages of the conflict.

There can be no question that since Vietnam our nuclear position has slipped from stalemate to the borders of inferior-

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ity. While the experts argue about whether we are already inferior to the Soviet Union in overall nuclear power, they are agreed that if present trends continue we shall be significantly inferior — and soon. Some careful studies contend that the strategic force relationships which dominated the Cuban Missile Crisis will soon be reversed, unless we undertake a crash program immediately — that in the event of a nuclear exchange we should risk 100 million casualties and the Soviet Union 10 million. It is not difficult to anticipate what would happen if we were to allow such a situation to develop. A perceptive student of the problem has remarked that confronting such a scenario, even General Curtis LeMay would advise "accommodation." Our foreign policy and conventional forces would be impotent and we would acquiesce.

It is the first objective of Soviet policy to achieve such a situation. Soviet leaders believe it would enable them to determine the future course of world politics.

This — not nuclear war itself — is what our nuclear weapons program and the SALT negotiations are all about. Many tend to dismiss the vision of nuclear war as unthinkable. But the vision of Soviet political coercion, backed by astronomic nuclear and conventional forces, is far from unthinkable.

Obviously, no such situation should be allowed to develop. No President of the United States should ever be put into a corner where he would have to choose between the surrender of vital national interests and nuclear holocaust.

The Probable Effects of SALT II

This is the political and military context in which we should examine the SALT Treaty. It provides the benchmark in terms of which we should evaluate the SALT proposals, when they are finally made. What effect will SALT II have on the race between the tortoise and the hare? Will it contribute to the restoration of our second-strike capability, which is now in question or will it inhibit us in carrying out that essential task?

SALT II, like SALT I and the Vladivostok Agreement which was announced in 1974 and then withdrawn, seeks to specify equal Soviet and American ceilings for the numbers of launch vehicles and, within those ceilings, for the number of missiles which can be MIRVed. It does not attempt to limit the number of warheads each side may be able to launch, or the throw-

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weight of the vehicles, or the explosive power of the nuclear warheads. The root of this paradoxical state of things is that while satellite photography is presumably able to identify the number of launchers and to see whether they are MIRVed (although this is more doubtful), it cannot verify throw-weight or the explosive power of warheads with equal assurance.

But second-strike capability, the essence of our deterrent, does not depend upon the number of nuclear launchers or upon the number of missiles which have been MIRVed. It depends upon a combination of factors – the survivability, number, size, and accuracy of warheads – which in turn depend upon the mobility, hardness, throw-weight, and guidance systems of the missiles.

This feature of the draft agreement gives it an unreal character and it makes it more difficult to answer the fundamental question – does the Agreement permit us at all times to maintain an unchallengeable second-strike capability – that is, to threaten the Soviet Union with unacceptable levels of damage if it should attack us or our allies?

The proposed draft agreement, as it has been authoritatively anticipated in the press, has another feature which should be noted at the outset. It deals only with central strategic systems which could reach the United States. As Dean Rusk said of SALT I, it is a dam across half the river. We have vital permanent interests in Western Europe, Canada, Mexico, Japan, and other allied nations, and many other places can become critically important, depending upon circumstance. It does no good for us to spend thousands of hours fussing with the controversy over whether the Soviet Backfire can reach the United States while the plane also threatens Western Europe and the Middle East. For us, the problem is the same.

As you will recall, there was a certain asymmetry of numbers in the SALT Interim Agreement which expired last Fall. The Soviet Union was allowed to have more and larger missile launchers than we because we thought we could stay ahead in MIRVing and in accuracy.

Six fundamental developments, all adverse to our interests, have taken place since 1972, when SALT I was signed.

First, the Soviet Union has made extremely rapid progress in MIRVing their strategic missiles. Since their missiles have more throw-weight than ours, this change raises the first problem – how many warheads are they deploying per missile?

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And, what is the destructive power of each warhead? We know that some of their MIRVed land-based missiles have been tested with as many as 8-10 warheads, although ours are equipped with not more than 3. We know also that most warheads now in the Soviet arsenal have more than 20 times the destructive power of our warheads.

Mr. Paul Warnke and other spokesmen for the Administration tell us that we still have more warheads than the Soviet Union and more accurate ones, too. I shall have something to say on the key issue of accuracy later in this paper. On numbers, however, it is legitimate to question the assurance of the Administration. Remember that we are talking here about numbers derived from the interpretation of intelligence data. The best studies I know throw grave doubt upon the soothing conviction of our Administration spokesmen. While the Administration never tells us that the warheads on which they place so much emphasis are much smaller in explosive power than those of the Soviet Union, it would hardly deny the fact if pressed. But the SALT Sellers' literature is written as if our warheads were equivalent for all purposes with those of our adversary. They are not.

The Administration tells us that the Soviet advantage in throw-weight and explosive power is compensated by American advantages in numbers of nuclear warheads, missile accuracy, and the numbers and capabilities of heavy bombers. The difficulty with these claims is that the compensating advantages are all disappearing, and disappearing rapidly.

The second basic change in the situation since 1972 is the recent improvement in the accuracy of the advanced Soviet missiles, developed for the purpose of knocking out our ICBM forces, planes on the ground, and ships in harbor. The Soviet government is now briefing its middle level leadership systematically to the effect that Soviet science has achieved a great breakthrough; that, as a result, the Soviet Union is now superior to the United States in military power; and that the effects of the breakthrough will soon be apparent in world politics. The area of "anti-missile missiles" is identified as that of the breakthrough: that is, the issue of the accuracy of such missiles.

Third, there are reports of corresponding importance and gravity about recent Soviet progress in anti-submarine warfare. With the cancellation of the B-1 placing more and more

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responsibility for deterrence on our submarine force, these reports are more than disturbing.

Fourth, the Soviet Union has made some of its ICBM force mobile, despite the assurances given to the Senate on that subject when SALT I was ratified. The President has said that the Soviet Union is already deploying mobile ICBMs. The experts agree that it is in a position to deploy them quickly and on a large scale.

Fifth, there are recent reports of Soviet progress in anti-satellite satellites — killer satellites. Such progress would endanger our chief means of intelligence, communications, and control. Secretary of Defense Brown has spoken out several times recently on this matter, and there is no need for me to underscore its importance. A Soviet attack on our satellites could be made without killing any people — and it could leave us blind.

Sixth, we must note the significance of Soviet civil defense programs. Even if imperfect, these programs reduce the effectiveness of our deterrent.

These six problems alone — and there are others — transform the problem of strategic deterrence. They introduce uncertainties into the calculations which have been the basis of our policy for thirty years. Our leaders advise us not to worry. They assure us that the Soviet rulers will still be restrained by knowledge of our capability to wreak fearful havoc on their society in retaliation for any unacceptable action. Our leaders tell us that if the Soviets cross certain lines, we can kill millions of them without unacceptable risk to ourselves.

However plausible this argument may have been up to the time of the Cuban Missile Crisis, it has long since lost even the appearance of conviction. But Secretary of Defense Brown, Ambassador Paul Warnke, and other leaders of the Administration continue to repeat the McNamara Doctrine as gospel. It remains the heart of their argument for SALT II. Indeed, for all practical purposes it is the whole of it.

The Secretary of Defense has conceded that the Soviet rush forward in strategic weapons — both in numbers and in technology — may make our ICBMs vulnerable to a first strike in the near future. This will not mean the end of deterrence, he argues, because we can always respond from our submarines against Soviet cities (missiles launched from submarines are probably not now accurate enough to destroy missile silos or

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other hardened military targets). This argument is of dubious comfort when our fixed-site and vulnerable missiles have become outclassed in numbers, size, destructive power, and survivability by Soviet missiles; when we have tossed away our advantage in bombers; and when our citizen population remains unprotected while the Soviet Union has persevered in air defense, anti-ballistic missile programs, and in civil defense and evacuation procedures.

I have always had the greatest difficulty in accepting Robert McNamara's theory of mutual assured destruction (MAD), according to which all we and the Soviets need to do is to hold each other's cities and people hostage, thus preventing any first strike and neutralizing nuclear weapons. The Soviet leaders do not accept that theory; they are building forces to survive and win a nuclear war if deterrents fail. Secretary Brown's threat to blow up Soviet cities in retaliation for a Soviet first strike against our ICBMs would be less than credible if the Soviets had more than enough weapons left in reserve to blow up our cities and still be left with substantial enough reserves to dominate the post-war world. A Soviet arsenal of that size and technical sophistication would tend to neutralize the second-strike capability of our nuclear forces. It would thereby make us vulnerable to Soviet political coercion.

The Future of National Security Policy

How does the Carter Administration propose to deal with these emerging realities, which are fundamental to the safety of the Republic? In attempting to answer this question, we cannot consider SALT II alone, but must examine SALT in relation to the defense budget — and indeed to our foreign policy as a whole.

So far as new weapons systems are concerned, the record of the Administration is clear and consistent. For President Carter, new systems are like bulls in a bull ring. You know when the bull comes in that he is going to be killed sooner or later by the matador, although you cannot tell when or how. So it has been with President Carter. Our first new bomber in many years — B-1 — has been canceled. The neutron warhead, which might have given NATO a firm shield for ten years, has been remitted to the shades. The United States has closed down the Minuteman III production line and delayed the initial operating capability of the missile which was

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supposed to replace it. MX is on ice for the time being. Furthermore, the Trident program has been stretched out.

The record is the same in the area of conventional forces and conventional weapons. The President assures us that all our Treaty obligations are still firm and that we stand squarely behind our allies in the Pacific as well as in the Atlantic. But the former Chief of Naval Operations has testified that our Navy cannot guarantee the sea lanes beyond Hawaii. Secretary of Defense Brown recently told the Japanese that we could not assure the naval defense of Japan. And the Administration has proposed a further reduction in the Navy.

In short, Secretary of Defense Brown's celebrated American hare is still asleep, while the Soviet tortoise moves ahead steadily, propelled by the pressures of vast research programs and the momentum of new generations of weapon systems.

Now, we are told, the Administration is about to agree to a SALT agreement whose terms, coupled with recent United States program decisions, would make it virtually impossible to maintain crisis stability or rough equivalence, or to reverse currently unfavorable trends. The limitations of the three-year protocol to the Treaty would affect us far more than the Soviets, if we decide to wake up from our sleep during that period. We have not introduced a new missile system since the late 1960s, while the Soviets have subsequently unveiled five. Furthermore, temporary agreements with the Soviet Union tend to become permanent — consider the case of SALT I, for example. The Administration is pinning its hopes for deterrence on the cruise missile, although it has not yet chosen a modern instrument for getting the cruise missile past Soviet air defense systems. Under the protocol would we ever be able to deploy it? And could we transfer it or transfer the technology for making it to our allies?

At the moment, as Paul Nitze has pointed out, we face the unattractive task of negotiating SALT III while having no modern bomber-cruise missile system capable of penetrating Soviet defenses, no follow-on to the aging and vulnerable Minuteman system on the boards, and a submarine missile force of less than 25 boats at sea, each constituting 4 percent of our reliable second-strike capability, and thus worth tremendous Soviet efforts to negate.

In the end, many of the proponents of SALT II at any cost fall back on another argument which I should mention in

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conclusion. It is better, they argue, to negotiate the best deal the Soviets are willing to give us and thus preserve the outward forms of detente, because the strategic nuclear balance does not make any difference anyway. No one is going to fire nuclear weapons, they argue – so why worry?

The fallacies of this argument and its frivolity are appalling, even in an age which should have hardened us to foolish and frivolous arguments. International politics today, like international politics yesterday and a thousand years ago, cannot be dissociated from the real power balances which are its matrix. The nuclear balance is only one element in the equation. But in the Soviet view, as my friend and colleague, Paul Nitze, has recently said, "It is the fulcrum on which all the other levers of influence – military, political, and economic – rest." Can any prudent man or woman seriously advise the United States government that the Soviet view is wrong or that the United States should ignore a Soviet warning based on this theory? With the Soviet military establishment organized and equipped to fight and win nuclear wars, could we resist a Soviet ultimatum – or, for that matter, a Soviet attack in Europe, the Middle East, Africa, or the Far East – under the threat of escalation to a level of violence where we could not meet the challenge?

I do not want to be misunderstood. I do not oppose arms limitation agreements with the Soviet Union as such. On the contrary, I think that, properly designed, they might serve a constructive purpose. But I do oppose the SALT II Agreement as it appears to be emerging from the negotiating table and so does the Committee on the Present Danger, of which I am an officer. In our view, the Treaty now in prospect would not prevent the Soviet Union from neutralizing our second-strike capability and would prevent us from restoring the nuclear deterrent on which national security ultimately depends.

The basis for our security is not the Treaty but strategic force deterrence and the strategic and conventional force balance. We are much too preoccupied with SALT, at the expense of our concern with the realities of power. I have just returned from a trip to Europe, Iran, and China, where I talked at length with responsible governmental leaders. I can assure you that their concern was with the adequacy of our military establishment, the cohesiveness of our alliances, and the rationality and dynamism of our foreign policy – not

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with SALT, except as a self-imposed obstacle to restoring our military strength. Around the world, people are seriously worried about our state of mind. They wonder whether we have the understanding and the will to defend ourselves and our interests in world politics or whether we are in a mood of suicidal appeasement. As the brilliant leader of a moderate-sized country in Asia said recently, "the greatest external threat" to the security of his nation "is the weakness of the West. The West is paralyzed, and divided."

Our goal – the goal of every American – is a stable peace and improved relations with the Soviet Union, a state of things based on mutual and reciprocal respect for the rules of the Charter of the United Nations regarding the use of force. This is what we mean when we use the word "detente." In nearly forty years in or near the foreign and defense policy establishment of the United States, I have never met a person who was not for detente or who favored war with the Soviet Union. The Russians who govern the Soviet Union are what they are. They will not change and we should not get hysterical about them. They take advantage of every opportunity to expand their power, so long as the risks are not excessive. As they say, they push at every open door. And they take a long view. We have to deal with them calmly, steadily, and patiently, with an eye on our national interests around the world.

The kind of SALT agreement the Administration is so frantically trying to sell the country is not a step toward detente or toward peace, but an act of appeasement which can only invite more Soviet pressure and more risk. It would freeze us in a position of inferiority, deny us the opportunity to redress the balance, weaken our alliances, and isolate us.

It would be a step toward war, not peace.

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Proposition 13: Tax Reform's Lexington Bridge?

DANIEL ORR

The overwhelming acclaim given to the Jarvis-Gann initiative, which permanently cuts real estate taxes through an amendment to the California constitution, has excited much comment and speculation among quick-answer analysts. In the left-vs-right scheme of things, there is despair that Proposition Thirteen is a massive repudiation of responsibility toward society's downtrodden (especially the young and the black) on the part of the selfish propertied, or there is ecstasy that at last the voracious termites who devour the American edifice are getting a first whiff of chlordane. Those with a cost-benefit orientation have asked whether Thirteen is a good way to achieve low taxes: the possibility exists that essential public services will be interrupted, and the hardship, confusion and turmoil will be great. The Machiavellians have suggested that the government establishment, in hope of securing an early repeal, will punish the voters and subvert the intent of Thirteen by deliberately focusing most of the spending reductions in areas where the harm therefrom is greatest. There is also speculation as to why Thirteen succeeded so overwhelmingly: is it a harbinger of strong public disaffection toward big government and a first step away from continued government growth, or it is simply a peculiar and isolated response to a too-rapid increase in one particular tax?

Most of these questions can in some degree be illuminated by an analysis of the effects of tax reform on the interests of private individuals, politicians and bureaucrats. Such an analysis predicts not only the ways that Thirteen will be digested within California during the coming months, it also suggests where and how further efforts to cut the size and importance of government will occur and the kinds of responses that those who oppose such cuts will offer. Where it all ends up – perhaps as a first step in a major move to limit the scope of government – will depend almost entirely on the effectiveness that tax reformers have in selling further necessary changes to the voting public, compared to the job of undermining, neutralizing or co-opting those changes that is done by those who oppose a diminished role for government.

If we examine what Proposition Thirteen does, we quickly

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see that it will not be easy to extend it outside of California. California has a peculiar institution, the constitutional initiative, whereby voters can directly amend the state constitution through a simple majority vote, once an amendment has been placed on the election ballot by a petition with a required number of signatures. Proposition Thirteen is such an amendment. It stipulates four important things about real estate tax assessments and real estate rates. Real estate in California is assessed by elected assessors who, prior to Thirteen, regularly updated these recorded values on the basis of prices paid for comparable properties. Thirteen provides, first, that a real estate parcel shall be currently reassessed at its fiscal 1975 level unless it has changed ownership since January 1, 1976, in which case the most recent price paid is the basis of assessment. Second, the assessed value of a parcel can rise no more than two percent per year, unless the parcel changes ownership. Third, the maximum real estate tax that can be collected is one percent of the assessed value; and fourth, a two-thirds majority of both houses of the legislature is necessary in order to change these rules of taxation.

Again, features peculiar to California enter into those provisions. Assessors are elected. They operate openly, according to specific rules and are remarkably free from corruption. There is a high degree of uniformity in the assessment of different parcels. All of this has contributed to a focus of anger against the tax laws rather than against the assessors. And California real estate, above almost everywhere else in the nation, has been the object of vast appreciation in market value. During 1974-78, it was not unusual for a residential property to triple in market value in many of the larger cities of the state. This appreciation is a response to general inflation: construction labor and material costs have increased, and speculators seeking to protect the purchasing power of their wealth have looked upon California real estate as a good inflation hedge.

In California it is common that certain locally-based and locally-funded welfare programs are paid out of property tax revenues. In addition, there is widespread public concern in some urban school districts (including Los Angeles and San Diego, the two largest in the state) about the use of school revenues to pay for extensive programs of pupil transportation to achieve racial balance in individual schools. Thus, the rapid

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escalation in property taxes was not accompanied by any increase in the quantity or quality of property-related services, and in fact the taxes were seen by some voters as being used for purposes which are socially non-productive or even harmful.

Finally, there had been a good amount of publicity given to the fact that the State of California was enjoying a very significant budgetary surplus. Due in part to the effects of inflation on personal incomes and the sharply progressive structure of the California state income tax, revenue collections by the state were outrunning expenditures to such a degree that Governor Brown was contemplating buying the state its very own communications satellite (a program that would have been budgeted at a level near $5 billion).

The interaction of all of these factors in one time and one state assured the success of Thirteen. There was a mechanism to change the law which bypassed the potentially subversive processes of representative democracy. There was a tax on which to focus, which imposed a large, rapidly growing and highly visible burden on numerous voters,[1] and which conveyed benefits about which many voters felt doubtful or toward which they felt hostile. There was a general perception of glut in the government sector. In short, the ingredients are a mirror image of what is usually found when a program involving new or higher taxes is successfully *imposed* (voter isolation from the decision process, highly concentrated benefits to a group of active supporters, diffusion of costs over a broad base of taxpayers).

The Effects of Proposition Thirteen

The immediate consequences of Thirteen in California will be relatively trivial. Property taxes will be lower for everyone and much lower for property owners whose holdings antedate January 1, 1976. There will be a temporary disruption of some public services (a subject we will examine in more detail shortly). The real estate game will be changed in important ways: the widespread and popular practice of "trading up" — using the price appreciation in this house to

1. The importance of the *visibility* of the property tax to successful revolt is pointed out in James Buchanan's "The Simple Analytics of Proposition 13" (Center for Study of Public Choice, VPI, Blacksburg, Va., unpublished).

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make a down payment on that larger house — will in some degree be defeated due to the assessment increases which follow on trade. These consequences all are distributive. Windfall gains are scattered among all property owners and in part are offset by higher income taxes due to lower income tax deductions. To the extent that the "business climate" is improved and incomes increase, the level of public services can be maintained without the imposition of any additional taxes, if some mechanism is found for using those higher state income taxes to pay for services previously provided out of the property tax.

In fact, the transfer of tax revenues from the local level to the state and federal levels is the most ominous and potentially the most significant effect of Thirteen. There may be an accompanying change in the balance of power and responsibility among different levels of government, which can have extremely important consequences.

The foregoing analysis identifies several features which contributed to the success of Thirteen. That analysis illuminates the issue of whether Thirteen is an excessively cumbersome tool with which to trim government fat (as was eloquently contended by Walter Heller in the *Wall Street Journal* on June 2). We have a number of examples in recent years (dating back to the Hoover Commissions and the efforts of Senator Paul Douglas in the late 1940s and 1950s) to eliminate specific ineffective government programs by selective withdrawal of their funding. That approach has seldom been successful: scalpels cannot seem to penetrate the blubber. On the other hand, we have seen that bureaucracies can continue to function while accommodating themselves to draconian across-the-board slashes in their funding (many public universities in the late 1960s offer instructive examples). Thus, the claim that Proposition Thirteen was a heedless, hasty and heavy-handed substitute for careful and judicious trimming is almost totally without merit: that latter choice simply does not exist, and the true alternative to Thirteen was business as usual.

What of the concern that bureaucrats and politicians will violate the intent of Thirteen or destroy its spirit by cutting back on services that the community deems essential, while preserving functions, offices or agencies that are peripheral or unnecessary? Will there be a confrontation in which public

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officials (elected or civil service) seek to demonstrate that the costs of Thirteen are very high, in an effort to start a popular movement for reversal or repeal?

Such concerns are not entirely without foundation. One problem with a sweeping and broad-based mandate like Thirteen is that the chief source of information on the costs and benefits of various government functions must be the bureaucracy itself. The bureaucracy has a strong interest in existing programs, and that interest may not coincide with taxpayer interest. For example, certain programs such as job training or environmental impact studies carry significant matching funds from the federal government. Every dollar budgeted at the local level carries an expenditure multiplier, and most of that expenditure is of benefit to the bureaucracy. It follows that the local-level bureaucrats, whose recommendations of areas for expenditure cutting will in the short run probably be highly influential, will have a strong incentive to favor such programs at the expense of activities more widely regarded as essential, such as fire and police protection. That fact, however, is not decisive. Politicians at the local level have a strong incentive to impose cutbacks in a way that will meet voter approval. There are many local governments affected by Thirteen and because interest will be high, press coverage of performance will enable comparisons to be drawn by voters between "our" politicians and "their" politicians. Whether or not elected officials directly control the budgets of their jurisdictions, they will be aware that if "essential services" are cut by more in their jurisdictions than elsewhere, vigorous political competition is likely to ensue. Those bureaucrats whose funding recommendations coincide most closely with voter preferences among governmental activities will be chosen to guide the allocation process and will benefit in personal power, status and income thereby. Because of the existence of many similar local jurisdictions and the opportunities for comparison among them, the danger is minimized that a serious effort will be made to subvert Thirteen by the imposition of excessive service reductions. Thus, it appears that everyone, including politicians and other beneficiaries of large government, will stand to gain by appearing to seek "reform" in the spirit of Proposition Thirteen.

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Will Proposition Thirteen Result in Lower Taxes?

But, while it may not be possible or feasible to overthrow Thirteen by keeping bad programs and reducing good ones, there is a danger that wolves will dress as sheep, and those who hope that Thirteen augurs smaller government and lower taxes will be defeated by a more subtle and devious approach.

When it became clear that Thirteen was a resounding success, Governor Brown immediately jumped on the bandwagon. His first public act was to state that he took the mandate seriously and would work toward reform. Governor Brown is a clever man and a Democrat, and the likelihood that he will lead a serious movement to diminish the scope of government is nil. What, then, can he be up to? There are several ways that Thirteen's success can be turned to his advantage and can be made to work toward greater power for the Governor's office and for him personally. As we noted, the immediate consequence of Thirteen is to diminish the revenue-collecting potential of counties and municipalities. The revenue-generating potential of the state is, by contrast, enhanced, due to the greater taxable income and purchasing power that Thirteen leaves in private hands. This change can be used to induce greater state control of programs which previously had been controlled at the local level. It is possible to imagine a simple transfer of revenues, no strings attached, from the state treasury to the local authorities, as a means of offsetting the fiscal impact of Thirteen. But that will not happen. It will be proclaimed necessary to husband state financial resources and to exercise control over the way they are used. It will be pointed out that the size of the total tax take has shrunk, and therefore tax dollars must be stretched farther to do more. These points all will be true, at least temporarily, and their consequences will be that state bureaucracy will expand, but by less than all local bureaucracies combined contract; and substantial new powers will be vested in state government. Such a move is, of course, inimical to the frequently-voiced goal of increasing the importance of political decision-making at the local level. Competition and diversity among counties and municipalities will decline.

But what happens if taxes which are levied at the state level also come under tax-revolt scrutiny? The only state tax in California which has the attributes of burdensomeness and visibility, and hence the most logical candidate for drastic

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cutting, is the state personal income tax (which is one of the nation's highest, operating at a rate of eleven percent on incomes above $31,000 for married couples). California has other sources of revenue, however. The state sales tax, currently six percent on all items except food purchased for home consumption, labor services and prescription medicines, can no doubt be extended to those uncovered items and raised a notch or two. An increase in state taxes on all types of fuels could probably find support on environmental grounds. In addition, there might be considerable popular support for pricing some of the more selectively used state services, such as the state park system and the extensive state-supported system of higher education, at rates much closer to the marginal cost of use, thereby cutting down on the state's tax subsidy of these activities.

Could a constitutional amendment directed at the state income tax be successful? Almost certainly it could, under the California initiative system. The consequences, paradoxically, might be greater investment, more employment, higher *per capita* disposable income and reduced *per capita* consumption of state-provided services in California. Should that eventuate, recourse to increases in other taxes would be less necessary. But even if the tax revolt carries forward to a point that revenue-generating capability at the state level of government is seriously impaired, and even if the revolt spreads among all fifty states, the task confronting the advocates of small government has only begun to surface. For the federal government has shown itself to be favorably disposed toward the idea of revenue sharing with the states, and the taxing power of the federal government at present completely defies revolt.

At the federal level, tax reduction measures directed at specific individual taxes can readily be accommodated, as the record of the past fifteen years suggests. Beginning in 1963, with the Kennedy tax cut, income tax rates have fluctuated considerably, but overall the rates are considerably lower than they were in 1962. Accompanying these rate reductions have been offsetting movements which have tended to increase individual tax payments and government control of spendable revenue. First, and most important, inflation has increased taxable incomes and moved individuals up into higher income tax brackets. (The processes which cause inflation also have served directly to increase the federal government's purchasing

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power.) Second, certain federal taxes, conspicuously including the capital gains tax, have increased dramatically. The general tax cuts have been motivated by the Keynesian theory of effective demand and the importance of expenditure, and the capital gains tax increases have been motivated by soak-the-rich egalitarian sentiments. Both changes illustrate a rather ominous proposition: federal tax policy can blow with any political wind. The federal government is in no formal way constrained in terms of the amounts that it collects, spends, or redistributes. Only political assessment of the voter tolerance of deficits constrains the government in power, and the experience of recent years suggests that the "myth" of budget balance is increasingly less persuasive to voters.

The federal government's first mighty weapon with which to defeat tax reform, then, is inflation. Possession of that weapon stems from its monopoly over the printing of money.

Promiscuous reliance on inflation to fund government programs, however, carries its own dangers. Voters may never truly learn that *only* the monetary authority has the ultimate power to affect price levels, but high and persistent rates of inflation may nonetheless elicit meat-ax voter responses against the political establishment. The federal government possesses a second and almost equally potent weapon with which to generate the revenues which will sustain government growth, namely, the value-added tax. This is a type of tax which heretofore has never been important in the United States. It is collected from businesses and its basis is the total sales of the business, less purchases from other businesses. The total taxes paid at different levels of manufacture are hidden in the prices of goods bought by consumers, even much more so than a sales tax would be were it quoted directly as a part of the price of a purchased article, because many different manufacturers may be involved. European countries which have relied heavily on the VAT have been able to keep income taxes at fairly modest levels compared to the U.S. — France, Switzerland[2] and Germany, for example, all have lower income tax rates than does the U.S., but bar higher goods prices due to VAT. But in the U.S. the VAT appears to be strictly a federal-level tool. Use of the VAT at the state level would be extremely difficult due to the competition among states to attract new

2. Switzerland uses a turnover tax, a sales tax charged at every stage of manufacture. The VAT is ubiquitous in the Common Market.

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industry. An attempt on the part of California to institute a VAT would no doubt lead such "anti-progressive" states as Texas or Tennessee to advertise a more favorable tax climate, thereby stultifying California's growth – and tax base.

The Bureaucrats' Counter-Revolution

Apparently, then, it is child's play to parry or co-opt the Jarvis-Gann spirit of tax revolt. The strategy comprises two parts: (1) transferring the responsibility of funding "essential" government expenditures to more central, more powerful, and more distant levels of government; and (2) instituting less visible forms of taxes from which to make those expenditures. The whole operation must of course be accompanied by a heavy barrage of rhetoric on the efficiency gains that will be realized by a more centralized provision of services: predictably, many rhapsodies are soon to be written on how wonderful it is to eliminate costly duplication.

This all means that proponents of smaller government will have to work very hard to sell their ideas. The nation's electorate has recently not been receptive to abstract arguments based on the general principle that government is too large. Rather, government has grown because the electorate has always seemed to be responsive to a "problems and solutions" approach: a problem is pointed out, and some solution or other, usually governmentally implemented, is proposed.

The appeal and success of the "problems and solutions" approach hangs on the creation of two strongly interested groups of sufficient size to assure adequate political support: a beneficiary group which stands to gain from a solution of the problem, and a group of bureaucrats and entrepreneurs who will be actively involved in implementation of the proposed solution, and whose wealth and power will thereby be enhanced. Success also depends on devising the proposed solution in such a way that no group of significant size is sufficiently harmed by it to offer serious opposition. It appears difficult, in prospect, to use this approach to reduce the size and scope of government. Can the idea be sold that the size of government is in itself a problem? Many self-interested groups, small and large, will converge in opposition to that idea, and those who still view government as the protector of the poor and oppressed will see it as an attempt to reinstitute slavery and illiteracy. Can individual programs

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be eliminated one by one on cost-benefit grounds? As we noted earlier, that approach has never succeeded, because of the diffusion of support and concentration of opposition.

A likely and unfortunate consequence of Proposition Thirteen-style tax reform, then, is a greater concentration of taxing and spending authority in the federal government, and a proliferation of new federal bureaus, scattered perhaps among the Departments of Treasury, HUD, HEW and Agriculture which are charged with allocating and monitoring the use of revenues which have been provided to the municipalities and countries. Certainly, Thirteen is not an agenda for full-scale reform. The net long-run impact on the individual taxpayer of all the adjustments and changes that Thirteen will induce will be higher taxes, less visible and hence less painful taxes, and a much larger federal interest in patterns of local expenditure.

As a specific agenda for tax reform, then, Proposition Thirteen is perverse. If a major objective of tax reform is to increase the efficiency of government spending (that is, to make it conform more closely to the preferences of taxpayers) then increased federal control is a big move in the wrong direction. If the objective is to make spending authorities more compliant in limiting the menu or portfolio of goods and services provided by government, the move again is in the wrong direction. People who are concerned about the growth of government (as Jarvis and Gann purport to be, and as many who voted for Proposition Thirteen probably are) would do well to consider the possibility that their June 6 triumph may have set back the date when serious, meaningful fiscal reform of the federal government can take place.

It is my own reformer's perspective that in order to protect against the twin ravages of inflation and unlimited growth of government, we need a constitutional amendment which drastically reduces the scope of federal spending and regulating activity, accompanied by a constitutionally imposed formula requiring a federal budget which would, under conditions of full employment, yield a modest surplus in every year. (In a given year defined to be less than full employment, a deficit is permissible; but the formula must show that if employment in that year were increased to the defined full employment level, the deficit would become a surplus.). If federal activities are to be constrained, it will be necessary to refer many

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necessary or desirable governmental functions back to the state and local levels. To the extent that Proposition Thirteen weakens the mechanisms of local government, that task is made more difficult.

The one enormously hopeful augury offered by Proposition Thirteen is that two-thirds of the voters in the nation's most populous state seized the chance to roll back taxes. This they did in the face of hysterical forecasts and threats of school and library closings, police and firefighter layoffs, garbage in the streets and on the beaches. The main task confronting tax reformers remains, however. It still must be shown that the reason those property taxes were too high and were growing too fast is to be found on Capitol Hill and that something can and must be done.

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Words and Foreign Policy

DANIEL PATRICK MOYNIHAN

Years ago Disraeli, in one of the novels, remarked that "Few ideas are correct ones, and none can ascertain which they are. But it is with words we govern men." There can be no doubt that words are important in government and they are especially so in the delicate arena of foreign policy negotiations. It is for this reason that I have recently been troubled by what appears to me to be the undisciplined use of language with which American spokesmen and principal officers of the government have addressed themselves to certain foreign policy problems.

In particular, I am concerned about the phenomenon dealt with so brilliantly by George Orwell in his classic essay, "Politics and the English Language." More specifically I should like to briefly call to the attention of our diplomats a more recent and, I think, important point made by Dr. Fred Charles Ikle (formerly a professor of political science at MIT and lately director of the Arms Control and Disarmament Agency).

Some years ago, in a paper on American difficulties in negotiating with communist countries (published by the Rand Corporation), he pointed to the process whereby we come to adopt the language of our adversaries in describing political reality. He gave to this process the intriguing term "semantic infiltration."

I quote a passage from the paper he wrote on the matter. He said:

> Paradoxically, despite the fact that the State Department and other government agencies bestow so much care on the vast verbal output of Communist governments, we have been careless in adopting the language of our opponents and their definitions of conflict issues in many cases where this was clearly to our disadvantage. Or perhaps this is not so paradoxical. It might be precisely because our officials spend so much time on the opponents' rhetoric that they eventually use his words – first in quotation marks, later without.

These are concepts which are at the heart of today's major political conflicts. For years now, the most brutal totalitarian regimes in the world have called themselves "people's demo-

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cracies" or "democratic republics."

The term "people's democracies," according to Milovan Djilas, was coined by Stalin himself and given as part of the title of the new publication that attended the formation of the Cominform in 1947. Stalin wanted us constantly repeating the fact that the Cominform journal for "A People's Democracy" said such and such. Similarly, organizations in various parts of the world which seek to emulate and institute that manner of regime have taken to calling themselves "liberation movements."

"Semantic Infiltration" at State

Now here is the problem we face today.

For some time, the Secretary of State, who is a distinguished and capable American statesman, in referring to the parties to the dispute in Rhodesia, has spoken of "the Patriotic Front," on the one hand, and "the Salisbury group," on the other. Now, "the Patriotic Front" is made up of forces supplied by and backed by the totalitarian powers, the Soviet Union and China. The self-styled "Patriotic Front" represents the armed component of totalitarianism, a philosophy which they openly espouse.

However, who would not wish to be with "the Patriotic Front?" Is there a man whose heart is not stirred by the prospect of joining with the Patriots? Who, by contrast, would wish to be with "the Salisbury group"? It sounds like a mining concession put together by investment bankers in London.

Let me cite another example. On July 17, in a State Department briefing, the spokesman for the Department of State made the following statement:

> There cannot be a peaceful settlement unless the liberation forces and the Salisbury parties are satisfied. What we are seeking is an agreement by all parties to fair elections under neutral transition arrangements.

By using the words "liberation forces" the Department of State spokesman is referring to the guerrillas who are armed by the Soviet Union and China and who certainly espouse a totalitarian doctrine. The Department of State spokesman went on to say that we want "fair elections under neutral transition arrangements."

I would argue that the use of those terms, the choice of those words, is fatal to the object of neutrality. When you have

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described one side as the liberation forces and the other side as a group in the capital, you have summoned all the imagery of political legitimacy of the 20th century and put it on the one side and denied it to another. That is not only fatal to neutrality but, I suggest, it is fatal to clear thinking about this phenomenon.

The Need to Describe our Adversaries Accurately

I do not believe this is a trivial matter. For some years, I have been arguing that the West's political culture is endangered by the fact that the vocabulary and the symbols of political progress are being expropriated by the opponents of our values. Democracy, as we understand it, is under assault from totalitarians masquerading as democrats — just as democratic socialism is under assault from totalitarians masquerading as socialists in Eastern Europe. Nonetheless, we persist in dignifying these enemies of freedom with the terminology of freedom — so that we persistently misdescribe the political forces arrayed against us.

It is thus important that we convey the impression to the world that we understand the difference between national liberation on the one hand, and the progressive brutalization of politics which is being carried on by the Soviets in the name of national liberation.

If I could use a term of nautical imagery, I would like to suggest that at the very least the Department of State's acceptance of this language is unseamanlike. It is prejudicial to good order and to semantic discipline. It reveals a carelessness that verges on negligence or, alternatively, it reveals a private agenda that needs to be further explored in public.

In summation, I believe we need not be ashamed to express our proprietary interest in the notions of self-determination and representative government. And it is essential to our own well-being in the world that other nations not be permitted to distort these concepts into a shape which would exclude our own democracy from the proper definition.

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How Government Profits from Inflation

EAMONN BUTLER

The most important problem facing this country today, according to the latest Gallup Poll, is inflation. Fifty-four percent of the respondents named inflation and the high cost of living as their chief concerns while 18 percent named unemployment and eight percent named energy.

This being the case, a good many of the leading figures in the Carter Administration (including the President himself) have devoted much of their time to "jawboning" in an effort to keep inflation down. In doing so, they have chastised the labor unions, businessmen, farmers, foreign oil producers — just about everybody.

And yet many economists (including this one) are convinced that the chief villain is government itself. I would argue, in fact, that the federal government has a large vested interest in inflation and that it profits from it to a major degree.

There is a growing support among economists for the hypothesis that inflation is always and everywhere a monetary phenomenon, caused principally by an expansion of the supply of money in circulation over and above the level of output. The mechanism by which such an expansion produces inflation is really quite simple.

How the Expansion of Money Causes Inflation

If an expansion in the total supply of money which is in peoples' pockets and bank accounts occurs without a corresponding expansion in industrial output, then it is natural that people will tend to spend a bit more. They might become less price conscious; they might tend to buy more expensive or better quality commodities; they might expand the number of goods and services which they buy. In any case, the effect will be the same: shopkeepers will find their prices being bid up — people will be prepared to pay more and to keep supply in line with demand; shops will raise their prices slightly. An expansion of the supply of money in circulation without a corresponding expansion of the commodities in circulation will, therefore, produce a general rise in prices throughout the

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economy.

Inflation can be caused in many ways. Perhaps the most obvious way occurs when the government spends in excess of the tax revenue it takes in. The money to pay for public programs has to come from somewhere and governments have a number of methods of getting new money into circulation.

One way would be to buy stocks from commercial customers or even to sell short-term stocks and bonds at high rates of interest. Another way is simply to add more government employees and make sure that they are paid. In any of these circumstances, the new money gets into the economy because of government action — the government has to print new banknotes, mint new coin, and extend new credit.

There are, of course, many pressures on the government to inflate the money stock. It may be that the pressures from public employees for higher wages are irresistible. It might be that the government believes it is "fine-tuning" the economy and that prices will not really be raised by a modest inflation. It might be that the government wishes to stimulate the economy, believing that higher prices will produce more output (remember Say's law that supply produces its own demand; this is the exact reverse). It might be that industries find their margins tight because of union pressure for wage and working condition improvements, and so they sell stock, which the government buys, to compensate. There may be an infinite number of reasons. Ultimately, however, the government and its agencies are the root cause.

The Government's Vested Interest in Inflation

Economist Milton Friedman (in *Essays on Inflation and Indexation*) has pointed out that government directly "profits" from inflation in three ways.

First, the additional government-created money will pay debts and finance expenditures over and above what the government collects in revenue.

Secondly, government-induced inflation pushes taxpayers into higher income brackets and thus leads to taxpayers paying *unlegislated* tax increases. According to the congressional Joint Committee on Internal Revenue Taxation, the real income tax increase in 1974 caused by inflation totaled $7,122,000,000 — a percentage increase of 5.9 for the average taxpayer. Since

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these statistics were compiled, the situation has become even worse. In 1953, the average family income was $5,000 and 11.8 percent of that was paid in direct taxes of all kinds – federal, state and local; according to the Advisory Commission on Intergovernmental Relations, the average family income in 1975 had risen to $14,000, but that family was paying 22.7 percent of its income in taxes – almost twice the amount paid two decades earlier. If we assume an annual inflation rate of six percent (a conservative assumption in a year when inflation is approaching the double-digit level), inflation-induced tax increases could net the federal government an additional unlegislated bonanza of $50 billion by 1980.*

Thirdly, the real amount of the national debt is reduced since the money had been borrowed at a time when the inflation rate was lower and money was worth more. Taking all these factors into account, Friedman estimates that the federal government's revenue from inflation came to more than $25 billion in 1973 alone.

Given these facts and figures, it will come as no surprise if the enthusiasm of at least many government officials for fighting inflation is less than all-consuming.

* For more information, see Donald J. Senese, *Indexing the Inflationary Impact of Taxes* (Washington, D.C.: The Heritage Foundation, 1978).

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Countdown in Rhodesia

WILLIAM R. KINTNER

During the summer of 1978, as support for the internal settlement in Rhodesia grew in both Washington and London, the Soviet-Cuban backed Patriotic Front guerrilla forces stepped up their efforts to gain power in Salisbury by bullets rather than by ballots.

The economic sanctions which the U.S. and British governments imposed on Rhodesia to force Ian Smith to his knees were in force, but opposition to them began to swell in Congress and in the British Parliament. In late July, the U.S. Senate gave President Carter the power to lift sanctions after free elections were held if he believed that a Rhodesian government had committed itself to negotiate with the guerrillas in good faith. A stronger amendment, to lift sanctions now for a trial period, failed by only a few votes. Subsequently, the House of Representatives voted to lift the sanctions if free elections are held in Rhodesia by the end of this year. If the Conservative Party should force a fall election in Britain, the anticipated government might also have lifted sanctions and recognized the black government chosen by the planned elections.

These possibilities, however, were rudely shattered by a September shooting down of a Rhodesian airliner by Patriotic Front guerrillas firing a heat-seeking missile. In the aftermath of this gruesome incident the internal situation in Rhodesia began to disintegrate.

This article will trace the Carter Administration's role in abetting what appears to be a bloody tragedy in Rhodesia. By way of example, Carter Administration officials stated that congressional votes to lift sanctions would propel Rhodesia along a course which would increase the conflict rather than improve the chances for a peaceful settlement.

Secretary Vance asserted that "If we were to choose one side or the other, the chance for a peaceful solution would be greatly diminished." The architect of U.S. policy toward Rhodesia is Ambassador Andrew Young whose bias toward the Patriotic Front forces is notorious. In his celebrated interview in the Parisian paper *Le Matin*, Young asserted that

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the "planned operation of attacking Missions . . . could only have come from Smith's (Rhodesian Prime Minister Ian Smith) camp." The Reverend Ndabaningi Sithole, a black member of the ruling Executive Council of Rhodesia's transitional government, contends that Young "is all Patriotic Front. . . . He only wants power to be handed over to the Patriotic Front." It would seem that the U.S. claim to be an honest broker among the contending parties is specious.[1]

The strong response by President Carter to the Soviet-Cuban incursion into Zaire makes inexplicable Washington's calculated coolness toward the peaceful transfer of political power from whites to blacks in Rhodesia arranged between Ian Smith and internal black leaders. One would think that an evolving black majority rule solution to the long impasse over Zimbabwe's future would have been welcomed and endorsed by the Carter Administration. President Carter and Ambassador Young could even take credit from the fact that the British-American initiative had finally propelled Smith to make the concessions required for him to reach agreement with black leaders in Rhodesia. On his March visit to Lagos, however, President Carter and Nigerian leader Obasanjo agreed that the Salisbury internal solution was illegal since it did not "guarantee a genuine transfer of power to the majority."

Ambassador Young, who was with President Carter in Lagos, appears piqued that this commitment to install Soviet-backed guerrilla leaders into Salisbury might have been toppled by the democratic compromise reached between Smith and black leaders. Ambassador Young talked about a continuing civil war between blacks and blacks. As he put it, the Salisbury Agreement "does not address the issues that have some 40,000 people fighting." They seemed in keeping with the views expressed in Zambia by Joshua Nkomo, a leader of the black guerrilla forces based in Zambia who condemned the settlement as "the greatest sell-out in the history of Africa" and promised intensified war to thwart it.

1. Some recent literature on the controversial events in Rhodesia includes: James E. Dornan, Jr., (editor) *Rhodesia Alone* (Washington, D.C.: Council on American Affairs, 1977); Chester A. Crocker, "The United States and the Endgame in Rhodesia," *Strategic Review*, Summer 1978; Julian Amery, M.P., "The Crisis in Southern Africa," *Policy Review*, Fall 1977; and Samuel T. Francis, "Rhodesia in Transition," *Backgrounder* (Washington, D.C.: The Heritage Foundation, August 1978).

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His comments echoed those of Robert Mugabe, the other co-chairman of the Patriotic Front based in Mozambique, who said, "The only way for the restoration of the dignity of the Africans is armed struggle."

Why we turned from the emerging democratic process in Rhodesia and continued to back guerrilla forces armed by the Soviet Union needs some explanation. The three black leaders who negotiated the Salisbury Agreement with Ian Smith commanded the allegiance of more than half of the six million blacks living in Rhodesia. They are Bishop Muzorewa, the Reverend Sithole and Chief Jeremiah Chirau. Last fall Reverend Sithole, the American-educated founder of ZANU, unsuccessfully sought to present his moderate views to President Carter, the Vice President and Mr. Brzezinski. In February, Bishop Muzorewa was unable to speak to the U.N., although the two guerrilla leaders were given carte blanche to speak there.

The Transitional Government

Yet, once the Salisbury Agreement was reached, David Owen, the British Foreign Secretary, described it as "a significant step toward majority rule." Dr. Owen's comment, made in response to questions in the House of Commons, was a sign of a divergence in the U.S. and British approaches toward the establishment of majority rule in Rhodesia. He conceded that the "settlement" negotiated between Prime Minister Ian D. Smith and three black leaders might prove acceptable to a majority of the black population in Rhodesia. "If so," he said, "it would be acceptable to the British Government as well."

But the Carter Administration did not even glance sidewise at the transitional government in Salisbury. The situation in Rhodesia for the Salisbury Agreement can only be understood within the context of the volatile politics that have emerged in southern Africa over the past several years.

The political climate in southern Africa changed quickly and drastically after the Soviets and their Cuban legionnaires imposed a Marxist regime upon Angola. At the beginning of 1976, before the Soviet-Cuban victory seemed certain, Zambia's President Kaunda warned about Soviet imperialism; after the Soviet-Cuban gambit succeeded, his controlled press acclaimed the triumph and urged the new "liberators" to stay in Africa until the job was done — meaning the destruction of white rule

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in both Rhodesia and South Africa. In mid-May of this year, President Kaunda paid a visit to Washington and, after meeting with President Carter, told an audience at the National Press Club that it was the moral duty of the Africans to launch a liberation war in Rhodesia and to use all the help the Soviets and Cubans could give to end the transitional government in Salisbury.

In early June, Joshua Nkomo acknowledged for the first time that Cubans were training his 6,000-man guerrilla force in Zambia. Describing the Western powers as "hyenas," Mr. Nkomo charged that they were propping up the "oppressive" government in Salisbury, the Rhodesian capital, and that 11,000 to 15,000 mercenaries were fighting alongside Rhodesian security forces against the guerrillas.[2]

Prior to this admission, President Kaunda had given a press conference in Zambia's capital, Lusaka, after his return from Washington. He expressed how he was "impressed indeed by Jimmy Carter and the team he has got around him." But, he continued, the President has problems in dealing with the "enemies of African freedom."

While backing the freedom of African leaders to receive support and training from either Western or Soviet sources, Kaunda's controlled television permitted Nkomo to state that he would return "as a fighter" to remove what he called the fascist regime of Mr. Smith and his black collaborators, Bishop Abel Muzorewa, the Reverend Ndabaningi Sithole and Senator Jeremiah Chirau.

It would seem that Kaunda's moderation is affected by his estimate of how the wind is blowing. As long as it blows stronger from the East, he will permit Nkomo to use Zambia as a base for Cuban-Soviet operations against Rhodesia. In the unlikely event that the United States should decide to oppose Nkomo's Soviet-Cuban-backed incursion against the Salisbury Agreement, as it has done in Zaire, Kaunda might again shift his position.

Until recently there was hope that the key to a peaceful Rhodesian settlement was to pry Nkomo loose from Mugabe. Smith has struck at Mugabe's guerrillas in Mozambique, but rarely against Nkomo's men in Zambia. Over 3,000 of Mugabe's men, who have done most of the fighting, have been killed. So

2. *The New York Times*, June 7, 1978, p. 1.

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far Nkomo has kept the bulk of his forces out of conflict while searching for a political settlement he could accept.

What if a place of honor and position in the new Zimbabwe regime should be offered to Nkomo by Messrs. Smith, Muzorewa, Sithole and Chirau and endorsed by the United States? The inducement for Nkomo to participate in a settlement which he has called a sell-out will not be easy. He has accused the United States of double-dealing – yet he has not ruled out future contacts with the Americans. After his whirlwind April visit to Dar es Salaam, Pretoria and Salisbury, Secretary of State Cyrus Vance appeared convinced that Joshua Nkomo was more moderate than Robert Mugabe.

In late August, Ian Smith met secretly with Nkomo in neighboring Zambia to see if he could be induced to join the interim government. Nkomo's open acknowledgement that his guerrillas had brought down a Rhodesian airliner near the Zambian border on September 3 provides a convincing proof that he rejected Smith's overture. Noteworthy, however, was Smith's willingness to meet with his principal enemy even at the risk of alienating his three leading domestic black supporters. Smith's action was in marked contrast with the inflexible diplomacy that Carter-Young have demonstrated toward the increasingly bloody Rhodesian issue. Their disdain for the interim settlement irrevocably committed them and the United States to some sort of Patriotic Front victory. Nkomo, sensing a potential victory, largely made possible by the morally indefensible U.S. policy, saw no reason to respond to Smith's initiative.

Problems for the Multi-Racial Government

Admittedly, even with more positive U.S. diplomacy, there are problems in translating the Salisbury Agreement into an acceptable transfer of power within an agreed time framework. It has not all been clear sailing since the transitional government, established by the Salisbury Agreement, began to function. A major storm developed when Byron R. Hove, a black lawyer appointed by Bishop Muzorewa to share the justice portfolio with a white man, was abruptly dismissed and returned to his law practice in London. Mr. Hove had publicly demanded that the personnel policies of the police and judiciary be changed rapidly to bring in many more blacks. Hove's dismissal created a crisis with Muzorewa's party, the United

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African National Council. Many of the party's younger and more militant leaders wanted the party to pull out of the ruling Executive Council. The other black members of the Executive Council, the Reverend Sithole and Chief Chirau, who backed the Hove ouster, were accused by Muzorewa of wanting to humiliate and destroy him. Muzorewa's party was angry and disgusted with the Hove Affair but chose to stick with the transitional government. The longer the Salisbury Agreement held together the more likely a peaceful transition to black rule would take place. Otherwise, the specter of an intensified civil war in which the Patriotic Front guerrillas, backed by Cuban forces and Soviet arms, seems most likely.

The time to demonstrate the legitimacy of the transitional process toward black rule is rapidly running out. A *New York Times* report asserts the guerrilla leaders have about 10,000 men in the field. According to Sithole, there are peace factions among the guerrilla forces. Many of the guerrillas might want to come home once a black government is installed in Rhodesia. They have been offered amnesty. Needless to say, the amnesty would have been more attractive had the United States endorsed the Salisbury transitional government.

Had the United States shifted its position, the front line states would have found it difficult to oppose the transitional process toward black rule. They have adopted their current position because Mr. Smith refused to accept the principle of one-man, one-vote, but that rationale for their hostility is gone. Moreover, all of Rhodesia's neighbors are in economic need of improved relations. This fact should have provided further incentive for the front line states to accept a popularly elected black government. Zimbabwe, in turn, would be prepared to cooperate with them to improve the economic well-being of southern Africa. All of these African governments know that the Soviet-Cuban combination is an excellent source of weapons and military training, but not for the economic development they so desperately need. By offering an imaginative development program to the region, the United States and its European partners could have gained acceptance for the transitional government.

The real stumbling block to a peaceful solution in Rhodesia has been the U.S. Mission to the United Nations. Ambassador Young asserts that he sees little chance that

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an internal settlement would be recognized by the United States or others and that no resulting government would get financial help from the United States or the rest of the world, let alone military help against Patriotic Front guerrillas. The reason the settlement would "create" a new war, he said, is that there is "evidence that there would be a massive commitment of Soviet weapons" to help the guerrillas overthrow a black-majority government. He could certainly be right, in creating a self-fulfilling prophecy. There is little time to prevent the bankruptcy of our mischievous policy.

The situation in Rhodesia is reaching the point of no return. The pace of fighting has stepped up in the last few weeks — for a very good reason: foreign support for the internal settlement is growing. No longer does the Patriotic Front have the luxury of facing an entirely white Smith government. The black/white fight could be allowed to simmer until the whites were worn down. Now the Patriotic Front faces a predominantly black government in Salisbury and we are entering a period of "civil war."

The shooting down of the Rhodesian airliner has radically altered assessments made just a month ago. The complete lack of any official U.S. comment on the shooting down of a Rhodesian airliner and the subsequent massacre of its few survivors by Nkomo's guerrillas provided further evidence of the moral and political opaqueness of the Carter Administration's handling of the Rhodesian issue. The Rhodesian government conceded that the shooting down of the airliner "was caused by the plane being hit by a heat-seeking missile."[3] This missile could only have been supplied by the Soviet Union. Nkomo's guerrillas have been trained to use this and other Soviet military equipment in Angola by Cuban troops. The Soviet-Cuban aim in Rhodesia is obvious: to install another Marxist-Leninist regime in Africa — this time in the one country that might have created a multi-racial democratic regime, a rarity in a continent in which most countries are ruled by military dictatorships.

The U.S. response to the latest guerrilla atrocity in Rhodesia was to dispatch Assistant Secretary of State (for African Affairs) Richard Moose and Policy Planning Director, Anthony Lake, to discuss with British Foreign Secretary David Owen how to breathe life into the British-American dream of

3. Philadelphia *Inquirer*, September 8, 1978, p. 3A.

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convening an all-party conference aimed at ending the Rhodesian guerrilla war. It would seem that Washington and London plan to walk down this dead end street until they reach its dismal end. The only possible input that might change this tragic scenario would be a falling out between Nkomo and Mugabe over the spoils before the victims have stopped breathing. Symptoms of such a split in the Patriotic Front are already occurring.

Yet, a Patriotic Front split is more likely to bring on intensified civil war than aid the internal settlement. Although generally regarded as the strongest of the potential leaders, Nkomo comes from a minority tribe among Rhodesian blacks. If he rejects the Smith offer he may turn to Cubans and perhaps march into Salisbury on the strength of their arms. In this instance Cuban rifles will bring to Rhodesia the same kind of stability as they did in Angola and which Ambassador Young found so praiseworthy.

Before this macabre scenario takes place Smith may escalate the bombing of Nkomo's bases in both Zambia and Angola. In any event Ambassador Young's self-fulfilling prophecy of a large-scale Cuban-Soviet interaction is likely to occur.

Since President Carter hews to Ambassador Young's all or nothing formula, the United States will sink deeper into a quagmire in southern Africa from which it will be difficult to extricate itself. Meanwhile the people in Zimbabwe will continue to face unnecessary slaughter rather than a peaceful solution. Present American policy toward Rhodesia is based on self-inflicted blindness. A State Department publication[4] states U.S. policy as follows: "U.S. policy on Rhodesia is to persevere with the U.K. in efforts to find a fair solution and to maintain our position as an honest broker among the contending parties." The following premises underlie this policy.

— The conflict will continue unless a solution can be found offering a realistic possibility for fair participation in the transition government and the electoral process by the main parties — the Salisbury group and the Patriotic Front.

— Soviet and Cuban intervention is a strong possibility if the conflict continues and U.S. interests would suffer.

— The United States does not favor one side against the

4. "Rhodesia: U.S. Policy," in *GIST*, Department of State, June 1978.

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other. Endorsing either side's negotiating position would prejudice the political opportunities of the other and could further inflame the conflict.

But, in fact, we did favor one side against the other and thus inflamed the conflict. In reality, the Anglo-American alternative to the Salisbury Agreement nurtured political change via violence, abandonment of democracy and the eventual acceptance of an imposed government that might line up with the Soviet Union. Advancing the prospects for peace in Rhodesia needed little from us except our moral and diplomatic support for the Salisbury Agreement. By denying that support, we only gave aid and comfort to the enemies of democracy and development.

Why Not Recognize A Democratic Government?

There never has been an answer to a question addressed to the British and American governments by Bishop Muzorewa, "Why on Earth would they not recognize a government that has been set up by honest people who have tried to do it on a democratic basis?"

Ambassador Young's desire to demonstrate his support for the Marxist-Leninist elites of Black Africa, including Mugabe, whom Young has called "my brother," has placed him for the most part on the side of potential oppressors. Since President Carter could not free his Rhodesian policies from Young's obsessions, Carter has wittingly or unwittingly condemned millions of blacks in Zimbabwe to the tyranny of yet another totalitarian African regime, regardless of its ideological coloration.

At the time of this writing, American policy continues to maintain its public posture of paralysis in Africa. Unwilling to support an internal settlement which has been unfairly castigated as racist, the Carter Administration has conducted its maneuvers behind closed doors. The Administration, knowing too that the Congress is deeply split on Rhodesian policy, is assiduously avoiding the *appearance* of American involvement, in order to avoid providing the Soviet Union or Cuba with a pretext for intervention. Such a course, naturally, does not rule out a unilateral projection of power by communist forces, as occurred in the Horn of Africa at a time of American abstention from involvement.

Carter and Young, nevertheless, are engaged in extensive

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jockeying for position in a transitional Rhodesia. Not only are their bets placed on Joshua Nkomo as head of state, but they have chosen their proxy to accomplish Nkomo's annointment: Nigeria. Nigeria was rumored to have a center place in the original Anglo-American plan, as providing the peacekeeping forces during a transition. As that plan has died in the evolution towards violence, the Americans have been encouraging Zambia's President Kaunda to include Nigeria as a guarantor of Nkomo's success in the eventual civil war. This could, perhaps, exclude the Cubans from a central role. The Nigerians, sensibly enough, are reluctant to become involved in a situation of civil strife, made more likely by the recurrent animosity between the two branches of the Patriotic Front. Small signs can be detected regarding the seriousness of the split, such as the fact that Lonrho's Tiny Rowland, bankroller of Nkomo's movement and arranger of the unproductive meetings between Smith and Nkomo, has just had his assets nationalized in Tanzania, backer of Mugabe. Nigeria, it is clear, will not undertake a military role unless guarantees are given of Mugabe being neutralized or eliminated.

Likewise, Nigeria will not become involved in a situation of violent conflict if the remaining whites in Rhodesia decide to fight to the finish. If they cannot be neutralized by negotiation, hitherto unsuccessful, Young and his Nigerian proxies at least hope to buy them out. The problem is finding the money to buy out the Rhodesian farmers (whose land, incidentally, would cement native support for a new government by distribution to the landless). The cost of this largess has been recently estimated as between one and two billion dollars. Young knows the U.S. Congress will not appropriate the money in its present mood, and it would not be desirable anyway, since an American appropriation would make the settlement appear American-engineered (thus providing the Soviet Union with an excuse for overt or covert intervention). This likely explanation for Bishop Muzorewa's recent mystery trip to Teheran indicates how similarly all parties are thinking: even the Rhodesian whites, so scorned publicly, will have to be accommodated as part of the settlement, and the black party that comes up with credible money may walk away with control of the transition. The Rhodesian issue, it appears, may yet be settled with black gold.

That the tragedy of Rhodesia should come to such a sordid

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end was predicted by Young many months ago — and his policy ensured that it would occur. Peaceful solutions to the poly-ethnic Rhodesian crisis — possible some months ago — can now be achieved only if backed by decisive force, and the only decisive policies in Africa today are those made by the Soviets and Cubans. The abdication of American principles and interests in southern Africa by the Carter Administration means that the least disastrous solution will be a settlement greased by cash, and even that depends upon a coalition of undependable regional actors. The politics of ideological racism, as applied by those making American foreign policy, will leave their mark on southern Africa for years to come.* Secretary of State Vance announced his courageous decision to grant visas to allow Mr. Smith and Mr. Sithole to come to Washington to present their case in person to the Congress and the American people. This may augur a decisive turn for the better in our foreign policy toward that strategic part of the world. Let us hope so.

***As this article went to press**

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United States, Japan, and The Defense of the Pacific

ERNEST W. LEFEVER

Two singular but opposing developments have conspired to symbolize the dilemma of America's security involvement in the Northern Pacific. One was the discovery, announced on March 19, 1975, by the U.N. Command that North Korea had dug a second infiltration tunnel 150 feet beneath the DMZ, large enough to allow 30,000 armed troops an hour to pass through. Its planned exit was in South Korea, 500 yards south of the DMZ.

The second development was President Carter's announcement on March 9, 1977, that his "commitment to withdraw American troops from Korea has not changed." He revealed this "commitment" on January 16, 1975, a month after he became a declared candidate, to an editorial page meeting of *The Washington Post*. This was eleven weeks before the fall of Saigon.*

If North Korea's dozen or more tunnels, dug at a great human cost, demonstrate Kim Il Sung's determination to unify Korea by subversion or military force, what does President Carter's "commitment to withdraw American troops" (later limited to ground forces) signify? To everyone I talked with in Korea, Japan, and Taiwan, Mr. Carter's specific "commitment" means a diminution of the overall American commitment embraced in the 1954 Mutual Defense Treaty between Washington and Seoul. Repeated oral assurances by the Carter Administration to the contrary have not dispelled this interpretation.

Thus, the invisible tunnel built by South Korea's implacable foe and the highly visible troop withdrawal by South Korea's only ally dramatize the irony, if not tragedy, of the delicate balance of forces in an arena where the two communist giants confront Japan, the chief ally of the free world in Northeast Asia.

The stability of the Pacific basin and the security of the states on its borders are deeply intertwined with the changing character of the confrontation between the United States

* See Ernest W. Lefever, "Withdrawal from Korea: A Perplexing Decision," *Strategic Review*, Winter 1978, pp. 28-35.

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and the Soviet Union and the future course of Communist China as it assumes a more active role in world politics. The unfolding events in the Pacific will both reflect and have an impact on the larger global conflict between the totalitarian communists and those societies that adhere to various concepts of limited government.

The future of limited government and peaceful change in the Pacific will be determined by classical geopolitical forces. The strongest, best organized, most disciplined forces will prevail, at least in the short run, regardless of the intrinsic moral merits of the antagonists. Neither history nor religion teaches that morally superior societies are destined to prevail. "The children of darkness," to invoke a Biblical parable, may in our day as in the past prove wiser and more cunning than "the children of light." Even the best of the non-communist societies can hardly be characterized as "children of light," but in contrast to the misery, terror, and brutality of communist tyranny, these less-than-perfect political systems have achieved a remarkable degree of individual freedom, justice, and respect for the human person.

This essay focuses on the role of the United States between now and the year 2000. Its basic hypothesis and conclusion is that the continued security of the Pacific region depends more on U.S. policies and behavior than any other single factor. If for any combination of reasons the United States should fail to maintain its support for and commitment to its allies in the region, the burden of this abdicated leadership would fall principally upon Japan.

The Totalitarian Threat and Temptation

It is fashionable today to speak of the environmental crisis, the population crisis, the energy crisis, and the gulf between the rich and poor. But there is a deeper and more protracted crisis — a political-moral crisis rooted in the struggle between two fundamentally opposed ways of organizing society. The present crisis is the contemporary manifestation of the age-old task of how men and women should be governed.

This problem is vastly complicated in our time by demands for broadly based consent, rising self-consciousness among ethnic and religious groups, and instant and vivid communications which permit everyone to look over everyone else's shoulder. It is also complicated by the resource-population

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problem and the growing claims of Third World leaders against the material wealth and technology of the developed states.

In our time the perennial problem of politics has erupted into an unprecedented crisis by the rise and growth of messianic totalitarianism. The self-anointed elites of the new barbarian system brook no opposition at home and seek to extend their dominion abroad. The rulers in Moscow and Peking have become the high-priests of orthodoxy in every sphere of life. In their fanaticism they have attempted to usurp the place of the family, the school, the arts, and even of God Himself.

Turning meaning and morality on their heads, the totalitarians are on the march under the banner of "liberation and equality," while at home they deny basic human rights to their own subjects. Today, 40,000 Cuban mercenaries are serving as cat's-paws for Moscow in Angola, Ethiopia, and a dozen other African states. The officers and agents of the KGB work ceaselessly to subvert "unfriendly" independent governments around the world.

We should not underestimate the totalitarian threat to the Northern industrialized world, nor the totalitarian temptation to the leaders of the Third World who are impatiently trying to transform traditional societies into welfare states while clinging to the reins of power.

North America, Western Europe, and Japan — and in a somewhat different way, China — are threatened by massive and growing Soviet military might. During the past decade there has been a significant shift in the military balance between the Soviet Union and the United States. The Kremlin has been on a steady march to gain undisputed military superiority over the United States and its allies in both nuclear and conventional arms. To use one of the Marxists' favorite slogans, "the correlation of world forces" has shifted in their favor.

The Soviets have not yet attained decisive military superiority, but if present trends continue they will do so within a few years. Moscow devotes about 18 percent of its GNP to military spending compared to about 5.5 percent for the United States. This means the Soviets outspend us by 25 to 40 percent. Among other advances, the Soviets have developed fifth generation intercontinental missiles, mobile missile launchers, hunter-killer satellites, and new and larger nuclear submarines.

Under this political and ideological onslaught backed by a global subversive apparatus and massive military might, many

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observers in both camps are predicting a time of severe testing for democratic and other non-totalitarian states. Some are predicting decline, creeping capitulation, or outright defeat for the West and its allies.

These dire forecasts often focus on the least tangible, but perhaps most vital, ingredient of political power — national will. In the complex calculus of power — the capacity to survive with the nation's values and institutions intact and the capacity to support one's allies — certainly the will to survive and fight is central.

Closely tied with will is the quality of the nation's leadership, its capacity to think strategically, the breadth and quality of citizen support, and national morale. All of these intangible elements, of course, must be supported by the classical material assets of power — population, territory, raw materials, wealth, and geopolitical position, and in our time, technological skills and industrial infrastructure.

Authoritarian States as Allies

In the West and in Japan there is considerable cant and dishonesty among political and intellectual critics of authoritarian regimes, critics who at the same time do not castigate the much more massive repression of totalitarian governments. This widespread hypocrisy has, intended or not, confused the significant differences between totalitarianism and authoritarianism.

Judged by human rights, moral freedom, and cultural vitality, there is a profound difference between authoritarian and totalitarian regimes. And there is a wide range of the less-than-democratic systems as far as civil rights and political participation are concerned. Most Asian, African, and Latin American states are authoritarian. They are ruled by small elites supported by varying degrees of popular consent. Some are run by brutal tyrants like General Idi Amin of Uganda, others by one-party cliques, military juntas, or civilian-military committees. Yet, all authoritarian regimes in Asia and Latin America permit a significantly greater degree of freedom and diversity than totalitarian ones. This is true in all spheres — political, cultural, educational, economic, and religious. Some authoritarian rulers allow opposition parties and a partly free press. Foreign correspondents often move about freely and send out uncensored dispatches. Some such regimes encourage relatively free economic activity and permit freedom of movement for

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their citizens.

There is far more freedom of choice, diversity of opinion and activity, and respect for human rights in authoritarian (or shall we say – limited democratic?) South Korea than in totalitarian North Korea. There is also far more freedom and cultural vitality in Chile under its present military rule than in Cuba under Castro. Today there are fewer than fifty political prisoners in Chile, while Castro admits to holding 20,000, which probably is the greatest number per capita in the world, higher even than in the Soviet Gulag.

An authoritarian or limited democratic regime also has the capacity to evolve into a more democratic one. This has happened recently in Spain, Portugal, Greece, and India. In sharp contrast, a communist dictatorship has never made a peaceful transition to genuine representative and responsive rule.

In this imperfect world, misery makes strange bedfellows. It is not only politically expedient but morally right for the United States and other democratic governments to make common cause with friendly authoritarian regimes in the struggle against totalitarian expansion, as long as the authoritarian leaders pursue foreign politics compatible with this objective. Certainly South Korea, Taiwan, the Philippines, and Indonesia are valid allies in the effort to contain the spread of communist power and influence in the Pacific. If the United States could provide billions of dollars to Stalin – one of the most brutal tyrants of history – in the fight against Nazi Germany, it can provide assistance to far more humane, but less-than-democratic regimes in the struggle against the tyranny of Stalin's successors.

The Significance of the Pacific Region

A balance of power favorable to the free world is essential to prevent the triumph of the totalitarians. In this political and moral struggle, the Northern Pacific plays a vital role. With a dynamic and expansionist Soviet Union and an awakening Communist China dominating the Eurasian heartland, it is imperative that the countries on the rimland – Western Europe in the West and Japan, South Korea, and Taiwan in the East – remain allies. And in both East and West, it is vital that these rimland countries have the support of the only free world superpower, the United States.

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The United States needs its allies in the Atlantic and Pacific to deter and limit Soviet and Chinese ambitions, just as it is compelled to play Moscow and Peking off against each other. The destinies of North America, Western Europe, Japan, Korea, and Taiwan are deeply intertwined. The fate of the varied states in the Third World will also be profoundly affected by the vicissitudes and eventual outcome of this protracted East-West struggle.

Will the United States Stay the Course?

Is the West prepared to meet the totalitarian challenge in all its manifestations? Can an increasingly permissive, unbelieving, self-indulgent West stand up to a disciplined and determined messianic totalitarian state? Recently U.S. Ambassador George Kennan castigated Western Europe and the United States for their decadence, self-indulgence, lack of discipline, and "rampant materialism," and by inference questioned America's moral right to defend itself. He then characterized the Soviet Union as benign and ruled by conservative men who pose little or no threat to the West. In short, Mr. Kennan said that the dangers of pollution, crime, drugs, and moral decadence in the West were more urgent and menacing than the danger of Soviet imperialism.

Mr. Kennan is profoundly wrong about the Soviet Union and only partly right about the West. There are internal contradictions and failures in the West, but I cannot believe that we are so decadent or are slithering helplessly into inevitable decline. If we do not correct these serious flaws, they may spell our doom, but we are not living in the last days of ancient Rome. Ironically, some of these flaws are the soft-underbelly of our virtues, notably our idealism. Permit me to identify briefly three flaws which flow from what I choose to call *rational idealism*, American style.

Rational idealism is the child of the Enlightenment and Social Darwinism, and in its pure form it affirms the perfectability, or at least improvability, of man and the possibility, if not inevitability, of progress in history. This belief in the nobler nature of man expresses itself in two forms — one might be called *soft utopianism* and the other *hard utopianism*. The soft utopians of the West variously hold that the natural goodness of man can be translated by reason, goodwill, and education into institutions of near-perfect

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justice, freedom, and abundance. The hard utopians of the Marxist-Leninist world believe in an interim ethic in which slavery is the midwife of freedom and falsehood is the father of truth.

Standing opposed to *rational idealism* is *historical realism* — an approach which takes a more sober view of man and historic possibilities. Historical realism has its roots in St. Paul, St. Augustine, John Calvin, Edmund Burke, James Madison, and other classic Western thinkers. It rejects all forms of secular salvation. The rational idealist believes the "impossible ideal" is achievable because it is rationally conceivable, but the historical realist believes the "impossible ideal" is relevant because it lends perspective to the present and provides hope without illusion. The three flaws which flow from rational idealism and which have a bearing on U.S. foreign policy can be noted briefly:

1. The first, the confusion between totalitarianism and authoritarianism, has been dealt with above.

2. The second is the confusion between domestic and foreign policy. Some rational idealists speak and act as though the United States can or should sponsor or impose its values and institutions on other societies which lie beyond our legal jurisdiction. This impulse to impose our standards abroad, supported by policies of reward and punishment, leads to a kind of reform intervention. Short of the rights derived from an occupation statute, Americans have no moral mandate to transform other societies, and we rightly resent such efforts on the part of the totalitarians. If we take sovereign equality seriously, we must recognize that the people of every state should determine their own system of politics and justice and how they want to defend themselves against domestic and foreign dangers. It may be possible to "export revolution," as the phrase goes, but we cannot export human rights or respect for the rule of law.

3. The third flaw is the confusion between guilt and responsibility. Some American leaders, not many to be sure, are afflicted by an unacknowledged undertow of shame and guilt. This largely unjustified sense of guilt has two principal roots — the great and unsought power of the United States and anguish over the experience of the Red Indian and the Negro in American history.

The guilt factor is kept alive by a strange tenet of soft

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moralism which associates virtue with weakness and vice with power. As Winston Churchill noted, the Anglo-Saxons somehow simply feel guilty about possessing power and wealth. This sense of guilt has been exploited by unctuous pronouncements from the Third World leaders like the late Prime Minister Nehru, who occasionally assumed an air of moral superiority, suggesting that as head of a poor country he was innocent and uncorrupted by the power of the powerful. It has also been exploited in recent years by demands for reparations from Third World leaders.

Race has become one of the major moral-emotional issues in the world today, not race as such, but real or alleged discrimination on the basis of race or ethnic origin, more specifically, discrimination practiced by whites. There is deep racial hatred and discrimination among many races, tribes, and nations, but there is a strong tendency to focus only on "white racism." Incidentally, as far as official policies and actual practices are concerned, racism has been virtually eliminated from American life, with the ironic exception of preferences accorded to certain officially approved minorities.

It is morally wrong and politically unwise for American leaders to feel guilty about race or our great power and wealth. The proper posture is a sense of responsibility rooted in a recognition that American power can be related to the weakness of Third World countries in mutually constructive ways without violating the integrity or dignity of either party.

It may sound strange that some Americans of influence fear the exercise of power or that the much-touched "corruption of power" may express itself less in arrogance and more in timidity or failure of nerve. But such are the foibles of the human psyche, especially when instructed by the canons of rational idealism. In fact, the indecisiveness of idealism and the paralysis of cynicism are closely related in their psychological origin and are surprisingly similar in their policy implications. The idealist says, "A plague on both your houses," and the cynic says, "Let might make right." They both remove themselves from the arena of moral and political decision.

The common explanation of America's current foreign policy behavior is related to our defeat in Vietnam, the fear of being burned in another far-off local conflict, and a general moral fatigue with the burdens of power. The United States

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has borne a heavy responsibility since the end of World War II, but there was a strong popular consensus supporting this role from 1945 to the mid-1960s. Unfortunately, that foreign policy consensus has been shattered and a new consensus has not yet been formed.

President Jimmy Carter's efforts to develop a new foreign policy consensus have been singularly unsuccessful, partly because he does not understand the roots of the old alliance against communist expansion, and partly because he appears to be a vacillating victim of conflicting staff advice. On the deepest level, Mr. Carter gives the impression of being profoundly confused about America's external responsibilities, expressing simultaneously contradictory ideas from the rational idealists, the historical realists, and even from apologists for the totalitarians.

A combination of misplaced idealism, unwarranted guilt feelings, moral fatigue, and creeping isolationism has produced a kind of withdrawal-from-the-world syndrome in U.S. foreign policy, but there is considerable evidence that this malady reached its peak in 1975 or 1976. It expressed itself in an attack on the U.S. military establishment, defense cuts, assaults on the Central Intelligence Agency and the Federal Bureau of Investigation, failure of the United States to assist the moderate forces in Angola, and in President Carter's determination to withdraw American ground forces from the Republic of Korea.

The United States has unilaterally cancelled its B-1 strategic bomber, closed its Minuteman ICBM production line, and slowed down its submarine and other missile programs. Measured by the GNP, the Carter Administration is recommending defense expenditures at one of the lowest levels in the past 40 years. What this says about the immediate and long-range future is difficult to know.

But there are strong countervailing pressures to the withdrawal syndrome. Public opinion surveys indicate clearly that the American people will support what it takes to maintain a military edge over the Soviet Union. In this vital matter the people have been ahead of the Congress and the Congress ahead of the White House. President Carter, sensing the popular mood and noting Soviet adventurism in Africa, the Middle East, and Afghanistan, has toughened his rhetoric, and he even slowed down the troop pull-out from Korea, but the signals from the White House are still ambiguous. Mr. Carter

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has a long way to go before he can provide the leadership the American people and the free world need and deserve.

Will the United States stay the course? Will it reestablish the quality of leadership it exercised until the mid-1960s? Will it provide the necessary support for our NATO and Pacific allies? I do not know.

Four courses are possible in the remaining two decades of this century: 1) strengthening U.S. security commitments in the Pacific region, 2) maintaining approximate present levels of support, 3) decreasing significantly U.S. support and commitment, and 4) withdrawing completely from the Western Pacific. The second course of action seems most probable in the immediate future — with ups and downs in the level of support.

The level and character of American defense expenditures and commitments is more a function of external developments — particularly the perception of threat — than it is of the domestic mood in the United States. Again and again we have seen significant changes in U.S. policy in response to communist moves — North Korean aggression, the Berlin blockade, and the deployment of Soviet missiles in Cuba. If Moscow or Peking or their surrogates overplay their hand in the Pacific, in the Middle East, or in Africa, it may well precipitate a new and stronger stance by Washington.

The Growing Responsibility of Japan

Whatever the future role of America in the Pacific, Japan is destined to play an increasingly larger part by virtue of its growing economic, political, and military power. This assertion is made without argument because it seems self-evident. According to some projections, Japan's GNP will be larger than that of the Soviet Union by the end of 1978. Japan cannot long remain an economic superpower without also becoming a significant military power. This means that Japan is bound to have increasing political influence in the region and beyond.

The question then is not whether Japan will bear a heavier security responsibility, but *how*. South Korea and Taiwan, of course, will play important roles, but the role of Japan will be second only to that of the United States. Such is the calculus of power.

To a significant extent Japan's role will be determined by U.S. policy and commitment. The greater the U.S. role, the

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less active Japan will have to be — assuming that both are determined to maintain approximately the present balance of power in the region. Conversely, a declining U.S. role would force Japan to become more active and to take on greater military and political responsibilities.

In academic, political, business and military circles, there is a growing recognition of the necessity for Japan to assume a greater responsibility for its own defense and for the security of the region. There are strong internal and external pressures against such a course. On the domestic side are the humiliating memories of Hiroshima and a lost war, the American-imposed constitutional prohibition against building a military establishment (hence the euphemism, Self-Defense Forces), and persistent opposition to "rearmament" from Japan's Socialists and Communists. Externally, former Japanese-occupied countries such as Korea, the Philippines, and Indonesia understandably have deep apprehensions about a strongly armed Japan. There is also the fear both inside and outside Japan that rearmament might lead to the development of a nuclear deterrent.

On the other side, there is increasing appreciation in Japan of a rising threat from the Soviet Union, evidenced by the continuing buildup of Soviet naval strength in the Pacific and what the Japanese see as unjustified Soviet claims against and harassment of the Kurile Islands. This growing threat is felt all the more keenly because of the growing apprehension about the reliability of the American security commitment to Japan, which many Japanese (and other Asian allies) believe is being eroded by the Carter Administration's determination to pull U.S. troops out of Korea and to normalize relations with Peking at the expense of Taiwan's security.

For these and other reasons the taboo topic is now being discussed behind closed doors in Tokyo and sometimes in the open. Over the past several years there has been increasing cooperation between the Japanese Self-Defense Forces and the 47,000 U.S. military personnel stationed in Japan. The Self-Defense Forces are being strengthened, and over the next five years Japan plans to buy $6.5 billion of U.S. equipment, including F-15 fighters and P-3C anti-submarine warfare aircraft.

Despite the U.S. shield, including the nuclear umbrella, Japan, facing two potential nuclear adversaries, is perhaps

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the most poorly defended major country in the world. Japan spends about 1 percent of its GNP on defense, compared to about 5.5 percent for the United States. If one invokes NATO's principle of burden sharing, Japan is simply not carrying its fair share either for its own or for regional defense.

The most tangible evidence of Japan's new security consciousness is the 260-page Annual Defense White Paper, the fourth of its kind, issued on July 28, 1978. Approved by the Cabinet, the report points to the growing Soviet military buildup in the Far East and calls for a greater Japanese share in bilateral security arrangements, both financial and in planning, with Washington.

The paper confirms that the Soviet SS-20 mobile missile with a range of about 3,500 miles is deployed with two marine divisions in the area and that Soviet warships are armed with SA-8 sea-to-air missiles with a 5 to 10 mile range.

Stressing the strategic significance of the Korean Peninsula, the report says that continued stability is vital to East Asia, adding: "Japan strongly hopes, as a matter of national interest, that the military balance on the peninsula" will be maintained during "the proposed U.S. withdrawal of ground troops from South Korea."

Concurrent with issuing the White Paper, the Defense Agency Director, General Shin Kanemaru, announced that he was stepping up studies designed to develop emergency legislation and defense plans to prepare for any surprise attack. His announcement was promptly castigated by the Japanese Socialist Party as evidence of the "revival of Japanese militarism."

Another development in Japan's evolving defense debate is the Tokyo-Peking treaty of peace and friendship signed on August 12, 1978, in the Chinese capital. Under negotiation for six years, the treaty contains the controversial clause bitterly attacked by Moscow, to the effect that both parties are opposed to any effort by any other state to establish "hegemony" or dominance in Asia or any other region. An authoritative *Tass* commentary immediately denounced the treaty as aiding China to "widen the sphere of its influence" in Asia. In both Peking's and Moscow's view, the provision is aimed against the Soviet Union, a tacit admission by the latter that it, in fact, has hegemonic ambitions. Washington announced that the Sino-Japanese treaty promoted Asian

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peace and stability.

Both the Defense White Paper and the signing of the treaty signaled increasing involvement by Japan in the political and military affairs of the region, but even so Japan has taken only a small, cautious step toward accepting its full security responsibilities for the Pacific and the free world.

Future Security Alternatives for Japan

We do not know what the future holds, but it may be useful to identify plausible Japanese responses to three different levels of security commitment by the United States in the Pacific between now and the year 2000:

Maintain the present level of U.S. support: This policy toward Japan, Taiwan, the Philippines, and South Korea would contribute significantly toward stability and peaceful change in the Pacific, though this effect will be diminished by the withdrawal of ground forces from Korea unless adequate and recognized compensatory measures are taken. With new challenges and uncertainties the present U.S. effort will not be enough to maintain the present balance. Peking will continue to urge Washington to reduce or dissolve its security ties with Taiwan, Moscow will probably step up its harassment of the Kurile Islands, and North Korea will continue its pressures against South Korea. There will be other problems, including tensions between Washington and Manila and Washington and Taipei, the latter in connection with "normalizing" relations with Peking. Mr. Carter, for example, has recently cancelled a plan to sell 60 F-4 fighter bombers to Taiwan.

Under these circumstances, Japan will have to play a more active security role. This will include a significant increase in defense expenditures and the possibility of Japanese joint military planning with and assistance to Taiwan and South Korea. These measures would not require any new alliance arrangements, but they would involve upgrading relations among the current regional allies of the United States. Among other things, this would imply greater coordination and strategic and tactical planning between Japan's Self-Defense Forces and the 47,000 U.S. forces in Japan, which are spread over 130 bases and include 20,000 Marines in Okinawa.

Decrease significantly the level of U.S. support: Depending on the nature, extent, and pace of reduced U.S. support, all

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of its Pacific allies would have to take up some of the slack, but the chief burden would fall upon Japan. And since a significant decrease could lead to a complete U.S. withdrawal, including the abrogation of all mutual defense treaties, Tokyo would have to consider alternatives almost as drastic as those that it would face in the event of a total pull-out of U.S. military power from the region.

Since the reliability of the fundamental American commitment would be in doubt, prudence would dictate serious consideration of measures to compensate for declining American involvement beyond those taken or contemplated if the present U.S. commitment were continued. Tokyo would have to increase even more sharply defense expenditures, especially for naval forces, both surface vessels and submarines. Facing two nuclear adversaries, Japan would also have to consider the nuclear weapons option. It might have to explore the possibility of finding new allies, both inside and outside the region. Would an alliance, or at least mutual defense pacts, with Taiwan, South Korea, and the Philippines be desirable? What about other more distant states such as Indonesia, Brazil, or South Africa?

Completely withdraw U.S. security support: Again, assuming the same basic security objectives and continued identification with the free world, Tokyo would face urgent and drastic choices. The questions of substantial conventional rearmament — land, sea, and air — and of building a national nuclear deterrent would be inescapable. Debate of these measures, to say nothing of the measures themselves, would raise apprehensions at home and abroad. The domestic debate could precipitate a crisis that would force the government to abandon a security leadership role in favor of a neutralist course in world politics or some kind of accommodation or even a military alliance with China in the face of a hostile Soviet Union. The withdrawal of the United States would confront Japan with its most serious crisis since the end of World War II.

Summary and Conclusion

1. Between now and the end of the century, the noncommunist states of the Pacific region can best serve their own security and the larger interests of the free world by maintaining and strengthening the ties and commitments

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of the present United States-led alliance.

2. Any significant diminution of the U.S. commitment in the Pacific would have an adverse impact on the security of the area and on Washington's reputation for and capacity to support its allies elsewhere in the world.

3. If for any reason the United States reduced significantly its security commitment or support for the Pacific region, the major burden for upholding the free world cause in the Pacific would fall on Japan.

4. If this occurred, Japan would be confronted by agonizing choices. The first would be whether or not to accept this new burden. If Tokyo decided it was too heavy, it might be forced to pursue a neutral course or seek an accommodation with Peking. If it did accept the burden of leadership, it would have to consider undertaking substantial rearmament, including the building of a nuclear deterrent, and taking the lead in forming a new alliance.

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American Policy and Northeast Asia

EDWARD NEILAN

The quickening pace of change in Northeast Asia, perhaps the most critical geopolitical region in the world, requires an enlightened American policy for the area.

The area's significance today and tomorrow is underscored by the convergence there of the interests, borders or territorial waters of Japan, the Soviet Union, the People's Republic of China, South Korea, North Korea, Taiwan and the United States (as a Pacific power).

East Asia, economically, is the world's fastest-growing region. With its large population, an expected steady and significant increase in per capita income over the next few years will result in a market surge which can only be described as staggering.

Not the least important of the economic and developmental factors is the presence of large deposits of oil, particularly in undersea beds which follow geological rather than political boundaries. For the future, this situation provides the potential for serious disputes.

There is a variety of short and long-term security considerations. The potential for armed conflict is present in Korea. There is uncertainty over whether Peking intends to use force against Taiwan. Japan is expressing more concern over the growth of the Soviet Pacific Fleet and about the credibility of the United States as a defense partner. A nuclear-armed South Korea would cause serious repercussions among the other nations, particularly Japan.

Despite the complexity of the crossing lines of interests, threats and goals, there is a workable balance of power in the area today. Policy decisions taken by the United States ought to be executed so as not to disrupt this complex balance. The Carter Administration's fascination with playing the "China card" against the Soviet Union, its Korean withdrawal timetable (which is based on unsound premises), and its failure to deal effectively with the U.S.-Japan economic relationship are examples of moves which have had a jarring effect on the balance.

United States policy in Northeast Asia since the emotional

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experience of the Vietnam war has been more drift than design. The specific initiatives of the Carter Administration – when they have occurred at all – have resulted in a confusing image of the United States among both foreign diplomats and American citizens at home and abroad.

First and foremost, United States policy emphasis for the immediate future in Northeast Asia should be focused on maintaining and improving relations with Japan. This should include both cooperation and competition in the economic sphere. For the rest of this century – and perhaps beyond – our relationship with Japan will be fundamental to our interests in the region and more significant than ties with China.

The Administration has mismanaged the trade situation with Japan by failing to deal effectively with problems which it inherited, but which have since been enlarged. President Jimmy Carter and National Security Advisor Zbigniew Brzezinski raised high hopes for an imaginative policy toward Japan because of their closeness to the Trilateral Commission. But these hopes were not fulfilled and U.S. policy toward Japan today is highlighted by Special Trade Representative Robert Strauss' fire brigade activities.

Beyond placing emphasis on the relationship with Japan because of its overriding importance, the United States must deal with each of the nations in a positive, imaginative and even-handed manner. This would include attempting gradually to improve relations with communist nations in the area as well as those with whom the United States already has trade and diplomatic ties.

The Pacific Century and American Leadership

According to several analysts, we are not on the verge of a Pacific Century – it has already begun. Many of the world's leaders have not fully recognized this fact nor are they intellectually ready to meet the promise of the Pacific.

A few years ago, Norman Macrae, associate editor of *The Economist*, commented on the evolution of civilization from an economic standpoint. He wrote that the British Century from 1775 to 1875, based on the steam engine and steel-producing technology, was replaced by the American Century from 1875 to 1975. The United States was the world industrial leader during this period because of its superiority in aircraft, automotive and computer technology and the productive

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capacity of its work force. In Mr. Macrae's opinion, the American Century gave way to the Pacific Century in the mid-1970s because of the remarkable economic growth of Japan, South Korea and other Asian nations, the growing importance of the West Coast of the United States over that of the East Coast, and improvements in transportation and communication.

Such attempts at drawing historical demarcation lines are rather abrupt and oversimplified, of course, but Macrae's analysis makes sense. The shift he described from the American to the Pacific Century does not suggest an end to American power as much as it suggests a future interdependent relationship between the U.S. and the growing economies of the Asia-Pacific basin.

There is ample room for American leadership, so far not exercised in the post-Vietnam era, in the Pacific.

Jiro Tokuyama, Managing Director of Tokyo's Nomura Research Institute, wrote in the June 23, 1978, edition of the *Asian Wall Street Journal*:

> At present, neither Americans nor Japanese are fully aware of the great promise of the Pacific zone. U.S. Presidents Richard Nixon and Gerald Ford personally stressed the importance of Asia-Pacific to the United States and stated the U.S., as a Pacific nation, would continue to play a vital role in the region. This basic policy has been reiterated by such high officials in the Carter administration as Secretary of State Cyrus Vance, U.S. Presidential National Security Advisor Zbigniew Brzezinski and U.S. Ambassador to Tokyo Mike Mansfield. But the President himself has yet to make public his own policy toward Asia-Pacific.

In Tokuyama's view, this situation leaves Japan to take the initiative in Pacific affairs. But he questions whether the Japanese government, preoccupied with domestic and international economic problems, has a strategy or vision for leadership of the Pacific community.

Prior to the seven-nation Bonn economic summit meeting in July, the head of Japan's Economic Planning Agency expressed his country's disappointment with American leadership. The planning chief, Kiichi Miyazawa, who is generally regarded as the man who runs the economy for Prime Minister Takeo Fukuda, added during an interview that he regretted the failure of Congress to enact energy legislation and that

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he was fearful of a protectionist trend in the United States after elections this fall.[1]

Comments on a lack of direction and leadership in the Carter Administration's foreign policy have increased within the United States this year. The addition of foreign voices, such as Miyazawa's, to the chorus suggests that longer-term American interests may be harmed by a weak President. For example, there is the possibility that a beleaguered Carter might be convinced by his aides to travel to the People's Republic of China next year more as an "event" to boost his sagging image than as a carefully planned segment of a clearly enunciated Asia policy.

The same public opinion polls which reflect confusion over Mr. Carter's foreign policy state conclusively that Americans do not wish the Republic of China (Taiwan) to be sacrificed in the name of U.S. normalization with Peking. If the Administration attempts to push through normalization too soon — as part of some desperate "China card" maneuver against the Soviets or as part of a political visit by the President — there will be further reduction of American prestige.

Fear of just such a ploy from the Carter Administration probably was a principal motivating force for Senators Robert Dole (R.-Kansas) and Richard Stone (D.-Florida) to propose an amendment to a security bill requiring that the White House consult with the Senate before the executive branch moves to alter the Sino-U.S. Mutual Defense Treaty. The amendment was adopted 94-0 and amounted to a strong message to Mr. Carter that he had better have a carefully prepared China policy drafted before deciding to fly off to Peking.

Mismanagement of the U.S. relationship with Peking — a tie that requires delicate orchestration with every move because of political complexities on both sides — would result in setting back rather than advancing a solution to the China problem.

The furor over Brzezinski's "China card" statements and the development of his "tough guy" image may have contributed to the confusing impression given by the Carter Administration in the foreign affairs field generally and in Asia specifically. The spectacle of Brzezinski talking tough on one hand and Secretary Vance speaking in more moderate tones on the

1. *The New York Times*, July 9, 1978, p. 1.

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same issue added to this misinterpretation of U.S. policy by many foreign statesmen.

According to *Newsday*'s White House correspondent, Martin Schram, an attempt to resolve this problem was made by Mr. Carter who told his close aides on June 9 that henceforth he wanted Mr. Vance to be his chief foreign policy spokesman.[2]

That effort at clarity must have pleased many world leaders, but must have added to the confusion of others. In Peking, there were fresh stirrings of anticipation following Brzezinski's visit to China that moves toward normalization would occur soon. The Chinese applauded Brzezinski's tough line on the Soviet Union during the talks in the Chinese capital. In contrast, the Peking leadership had reacted coolly after discussions with Secretary Vance in China in the summer of 1977.

The Asia Policy Network

In some ways it is surprising that the Carter Administration's policy for Asia has gone so far wrong so fast. The mechanics who shape its course at the working level are well-versed in the area and in the art of dealing with Congress. They came mostly from a network or elite tied closely to the liberal Democratic Senate staffs, the Brookings Institution, the Carnegie Endowment for International Peace, *Foreign Policy* magazine, and the Foreign Service.[3]

The appointment of Richard C. Holbrooke, former Managing Editor of *Foreign Policy*, as Assistant Secretary of State for East Asian and Pacific Affairs was greeted with skepticism among some senior State Department people, American businessmen long conversant with Asian affairs, and many Asian diplomats.

Unfortunately and perhaps unfairly, the negative impression has persisted. Holbrooke came into the job as an unabashed supporter of normalization of ties with the People's Republic of China, recognition of the Socialist Republic of Vietnam and withdrawal of U.S. troops from South Korea.

None of those goals has been achieved. But the Carter Administration's main policy setback in East Asia has been

2. *The Washington Post*, August 6, 1978, p. 1.

3. See Robert L. Schuettinger, "The New Foreign Policy Network," *Policy Review*, Summer 1977, and Chalmers Johnson, "Carter in Asia: McGovernism without McGovern," *Commentary*, January 1978.

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caused by the public outcry over the pace of withdrawal of troops from South Korea. This timetable was a campaign pledge that Mr. Carter seemed intent on fulfilling despite intelligence reports confirming the policy as unwise. In the face of the unhappy "Koreagate" situation, it is testimony to the recovery of American self-confidence in Asia that the Administration's too-hasty and in part politically-conceived plan for withdrawal from South Korea has been slowed by public and congressional arguments and opposition.

In a speech to the Western Governors Conference in Honolulu, Hawaii, on June 16, 1978, Holbrooke astutely discussed the U.S. role in Asia, never mentioning the question of recognition of communist Vietnam. On the China question, he reviewed the progress made to date toward improved Washington-Peking relations:

> Nevertheless, there is an incompleteness in the relationship which, over time, could render it vulnerable to extraneous factors, raising again the prospects of needless confrontation or misunderstanding between two major powers. This would deprive us of the opportunity to achieve greater cooperation with China on global and regional issues.
>
> Normalization would not solve all of our problems, but it would help consolidate our nonconfrontational relationship. And it would help insure that the current balance in the entire region remains intact. We are therefore convinced that normalization is an essential objective for our new Asian policy.
>
> In pursuing this objective, we are constantly mindful of the well-being of the people of Taiwan. Thus we are continuing to seek the framework which allows us to move ahead with our strategically and historically important relations with the People's Republic of China, while at the same time taking full account of our concerns regarding Taiwan. Our interest is that, whatever solution there may be to the Taiwan question, it will be a peaceful one. We are confident that in the future we still would be able to continue the many mutually beneficial relationships which link us to the people of Taiwan.

The problem with the Administration's pursuit of those goals toward China is that so far the American public is being asked to buy the solution on Peking's terms. The realities of the

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situation suggest that unless Peking can publicly state a moderated view on Taiwan, it will be inappropriate in terms of both domestic American and domestic Chinese politics to take the normalization step at this time. The application of both patience and persistence in seeking a proper course is advisable.

One is always being asked to be "pro-Peking" or "pro-Taiwan" on this issue; the correct position for American statesmen is to be "pro-United States" in a very tough way and to make that viewpoint clear to the leaders in both Peking and Taipei.

A more successful appointment than Holbrooke's was that of former Senator Mike Mansfield to be the U.S. Ambassador to Japan. Whereas an early criticism of Holbrooke was that he was too young (35 at the time of his appointment) and too inexperienced for the job's responsibilities, there could be no such criticism of the seventyish Mansfield, who first served in Asia as a young Marine. Mansfield was given the Tokyo envoy post after it was widely-known around the State Department that talented and Asia-wise career officer Marshall Green was in line for that job, but Mansfield has been such a success that the slight to Green, who will be around to serve in important positions in the future, has been all but forgotten.

The problem is that once appointed, Mansfield has been virtually ignored by Washington. It seems as if the White House felt that placing a prestigious ambassador in a foreign capital would suffice in lieu of a carefully articulated policy.

Future Policy Considerations

Given the rapid changes in Northeast Asia and the region's importance in the world's future, what are the most important policies for the United States to pursue in the area?

At the outset, we must recognize that the power relationships for the future will be basically economic, although military capabilities will continue to play important roles in the overall security of the region. Efforts to maximize trade and other commercial interchange among all the parties will be mutually advantageous.

The United States must be thoroughly aware of the trends and developments within each of the nations and then fuse and adapt those to our own policies where appropriate. Japan, for example, has been very successful in shaping its own policies

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toward China while maintaining correct relations with the Soviet Union, in the face of Sino-Soviet strains. The Sino-Japanese Pact (ostensibly not directed at the Soviet Union – at Japanese insistence) is a good example of this kind of diplomacy.

The inter-relationships and interdependence of the region are shown in the following country-by-country analysis of some of the considerations and questions which should be addressed in making American policy decisions in Asia:

Japan

United States relations with Japan have been remarkably close in the quarter century since the end of the American occupation. Japan has relied on the United States for its security and the U.S. "nuclear umbrella" is important to Japanese strategic thinking. There is an ongoing debate in Japan in reaction to American insistence that Tokyo develop "self-defense" capabilities more quickly. There is some Japanese concern over the buildup of the Soviet fleet and this could lead to a Japanese willingness to develop more of an anti-submarine warfare (ASW) capability.

Even the communist powers acknowledge that a tranquil U.S.-Japan relationship is essential to stability in Asia. Japanese public opinion seems more tolerant now of the U.S. military presence and the mutual defense treaty. But the Japanese wonder how future swerves in U.S. policy will affect Japan. The Korea withdrawal plan was opposed by Japan because it introduced abrupt change into a satisfactory balance.

Other questions relating to Korea arise for the Japanese: (1) Without the American deterrent, would North Korea attack South Korea? (2) Would a communized Korea affect Japanese domestic politics? (3) Would South Korea, without the presence of a restraining hand from the United States, develop a nuclear weapons capability of its own? What would Peking and Moscow think of such a development? (4) Would a precarious military balance in Korea, with U.S. troops withdrawn, give rise to a new militarism in Japan?

Japan's economic strength may mark it as the first and only major power to feel no need for a large military force. Except for probes from the Soviet navy, there has been no direct threat to the home islands.

Another element of uncertainty in the future U.S.-Japan

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relationships is the changing configuration of Japanese politics. Reduced Liberal-Democratic Party control could have important implications for the Tokyo-Washington partnership.

Japan, demonstrating adaptiveness, now has relations of one kind or another with every nation in Northeast Asia and is the only nation which can make that claim.

Japan's trade with the People's Republic of China is growing rapidly and it is evident that Peking is depending on the Japanese to play a major role in China's modernization drive. There will be U.S.-Japanese competition in the China market, but the result will be a positive contribution to the overall economic well-being of the area.[4]

The Soviet Union

Moscow's relations with Asian nations range from "very good" in India to "cool and correct" in Japan to "poor" in China. Sino-Soviet relations can only improve because they are at such a low point today. Prospects are good for a significant improvement after China feels industrially and militarily more confident.

There are no indications that the Soviet Union is either encouraging or restraining North Korea's Kim Il Sung on the question of a military invasion of South Korea. Because there would be competition between China and the Soviet Union to support North Korea in a prolonged war, the belief is that the Soviet Union is satisfied with the status quo on the Korean peninsula for the present.

Soviet commercial activities have been increasing in Southeast Asia but not in Northeast Asia to the same degree. However, Moscow is probing for openings.

Continued U.S. naval and air force presence is necessary in Asia to balance the Soviet Union's growing capability.

The People's Republic of China

Improved relations and full diplomatic relations between the United States and the PRC are inevitable and desirable. It is one of the challenges facing American policymakers to improve relations with Peking while at the same time doing

4. For a comprehensive review of problems and opportunities in the U.S.-Japan relationship see Frederick B. Weinstein, ed., *U.S.-Japan Relations and the Security of East Asia – The Next Decade*, (Boulder, Colorado: Westview Press, 1978).

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nothing to cripple in any way the viable state and economy of Taiwan. There is a degree of moderation necessary on Peking's part in order for that to be achieved; if Peking is unwilling, then normalization should be postponed.

The United States' position and image in Asia would be severely tarnished if we were to cast Taiwan aside abruptly. Peking must be more convincing and open in its pledges not to use force in settling the Taiwan issue.

At the same time, it must be recognized that China is a developing nation and that it is in our best interests to work with Peking in its plan for modernization and development of its enormous potential. There are strong signals indicating that China is more intent on improving its society, industry and agriculture than on causing any military trouble.

The present state of relations between Peking and Washington is marked by cordiality and steady progress. As Richard Holbrooke has said (quoted above) there is an "incompleteness in the relationship" which should be corrected. But this correction should take place at the appropriate time and under appropriate conditions.

The Republic of China (Taiwan)

There are some "liberal" analysts who would like to see the United States, in effect, hand over Taiwan and then South Korea to the communists and begin a new era in Asia on that basis.

Fortunately, the United States is not capable of "handing over" either nation as both are strong and independent. Taiwan is a genuine, developmental success story and the U.S. can be justifiably proud of the part it has played in this dramatic accomplishment. Essentially, however, it was the talent and effort of the leadership and citizens of the ROC that were responsible for the advance.

The reason that the "Japanese formula" is not acceptable for the U.S. in dealing with the Taiwan question is that Japan, unlike the U.S., was not the critical element in the political equation when it opted to recognize Peking. Unless handled with more skill than the current U.S. Administration appears capable of, imposition of a "Japanese formula" solution would severely harm Taiwan. Such a development would be unacceptable and, as shown in opinion polls, the American public senses this. From the United States' viewpoint, the best out-

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come would be an "American formula" as suggested by Ray Cline, Parris Chang[5] and some others. This formula would seek to recognize formally the governments in both Taipei and Peking.

Peking must be convinced (and there are a number of American lawyers and businessmen who are trying to make this point with Chinese officials) that the same American corporations and banks which lent their know-how and capital to help develop Taiwan can be very effective in assisting China's modernization.

Meanwhile, American ties with Taiwan should be continued and expanded in financial, trade, educational, scientific and other areas. There should be no diminishing of any ties with Taiwan merely because Peking wants it that way.

The idea of Taipei seeking ties with the Soviet Union is intriguing, but so far the ROC has publicly denied any intention to do so.

South Korea

There are a number of American academic specialists who persist in discussing the Republic of Korea (South Korea) as if it were some tentative or transitory entity that will not be around very long. Most of these are Japanese specialists who see Korea primarily as an afterthought to the study of Japan.

The Republic of Korea has created one of the major economic accomplishments of this century under some very adverse conditions. The nation deserves continued United States support including the presence of a deterrent force based in that country.

The presence of U.S. forces in South Korea helps to maintain the existing balance, but will be less and less of a requirement as the Korean economy progresses beyond even its admirable performance to date (last year South Korea achieved its long-sought goal of $10 billion in exports, moving it from 88th place 16 years ago to 17th among the world's exporting nations).

5. Ray Cline is Executive Director of Strategic Studies of the Center for Strategic and International Studies, Georgetown University, and a former State Department official. Parris Chang is professor of political science, Pennsylvania State University.

For a discussion of the normalization problem, see Edwin J. Feulner, Jr., ed., *China — The Turning Point* (Washington, D.C.: Council on American Affairs, 1976).

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It is argued that the U.S. military provides a psychological crutch for the Koreans and that with American troops in a tripwire position we are in danger of becoming involved in another war.

In a recent television interview with the editor of the Paris newspaper *Le Monde*, North Korean leader Kim Il Sung again stated that unification will be achieved as soon as the American troop withdrawal is completed. What does he mean by that? Intelligence reports indicate the North Korean military spends virtually all of its training time preparing to invade the south. U.S. withdrawal, under these circumstances, would invite war.

The United States should help defend Korea for its own sake, although there are also cogent reasons that it should be defended because of the implications for Japan.

North Korea

Kim Il Sung is frustrated by South Korea's surging economy, plagued by his inability to pay overseas debts, and apparently threatened by an internal political faction about which we know only the barest details.

Kim has been able to loosen ties to both Peking and Moscow in the sense that he runs his own show. Both communist giants have reason to be interested in a continuation of peace in Korea although there are sharp indications that neither power has as much influence in Pyongyang as has been generally believed.

It would be in the United States' interest to make some diplomatic contact with North Korea. The concept of cross-recognition, whereby the U.S. and Japan would normalize relations with North Korea while China and the Soviet Union set up diplomatic ties with South Korea, has some merit.

But the North Koreans do not wish to talk to the South Koreans, because Pyongyang wants to undermine the legitimacy of the South Korean government and move into a position as spokesman for all Korea. This is the type of approach used by North Vietnam at the Paris peace talks, where American negotiators mistakenly gave North Vietnam too large a role in the talks.

There are strong cravings for national unification on both sides of the demilitarized zone. But under present circumstances, two Koreas are better than one torn by warfare and conflict between two sharply differing ideological positions.

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The United States

If it can be more widely recognized that Asia is the major economic arena of the future, it should follow that everything within reason should be done to increase rather than decrease American power and potential in the area.

The United States has troops in Europe, far more than in Asia. What is wrong with retaining the token, deterrent force in Korea and Japan? All available evidence indicates that U.S. military presence does more to prevent war than to promote war.

Washington could also do much more in the way of "unleashing" American businessmen by easing some of the tax and other regulations that impede American business performance in the region. Japan is far ahead of us in sending well-equipped "economic soldiers" abroad to do business.

The People's Republic of China would like to see a strong American presence in Asia because Peking now accepts the fact that the United States is no threat to China's progress and independence.

In summation, American policy in Northeast Asia should be fundamentally based on a strong partnership with Japan and even-handed relations with every other nation in the region.

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was founded on the premise that the continued existence of the American civilization—framed by the Constitution and shaped by constructive forces of the last two centuries—is at issue on the battlefields of culture. Culture, those currents of thought and arts that form emotions, preoccupations, interests and taste, already determines, even manipulates, politics and economy.

"It is the culture which shapes and fixes the character of a people. If Americans today are unsuited to appreciate, operate and improve on the economic system which has served our nation well—not perfectly, but well—then it is the cultural institutions which must be enlisted to breathe new life and integrity into capitalism and to revive an allegiance to it."

—Dr. John A. Howard
The Rockford Papers, August, 1977

The fundamental institutions of the American ethos—individual liberty, private enterprise, social compromise, upward mobility and civic responsibility—are under attack, some on the verge of extinction. American pluralism, the key to this civilization's most deeply rooted successes, is undergoing an underhanded alteration.

"America is now more than ever a pluralistic society. But a dangerous myth has been deceptively sustained that the American culture is still open to the diversity of philosophical and ideological propositions, and that they all have an equal chance of being argued for and listened to. In point of fact, the more society, honoring its initial promise of equal human rights and opportunities, opens up to various ethnic groups, their traditions and folkloric paraphernalia, the more pluralism is expelled from the culture. American culture, once the haven of free consciences and religious variety, has become monopolized by one ideological formation—'enlightened' and 'progressive' liberalism."

—Leopold Tyrmand
Chronicles of Culture, July, 1978

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What is Competition?

THE ANTITRUST PARADOX: A POLICY AT WAR WITH ITSELF. *By Robert H. Bork.* (Basic Books, N. Y. 1978.)

> *Section 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. . . .*
> *Section 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor. . . .*

So reads the opaque language of fundamental antitrust policy, the Sherman Act of 1890. That language, along with that of other major antitrust laws including the Clayton Act of 1914, the Federal Trade Commission Act of 1914, the Robinson-Patman Act of 1936 and the Celler-Kefauver Act of 1950, has long given rise to a host of anti-free market ideas, pressures and confusing or ill-defined enforcement-triggering words and phrases like "monopolize," "conspire," "restraint of trade," "exclusionary," "concentration," "oligopoly," "foreclosure," "administered prices," "incipiency," "cut-throat competition," and "tends substantially to lessen competition."

But just what is competition?

Economists – not to speak of lawyers – cannot quite agree. (By the same token, of course, they cannot agree on just what is monopoly.) Yet, understanding competition is, in my judgment, crucial to understanding what Robert H. Bork calls "today's crisis in antitrust," spelled out in his newly published tour de force of insights into antitrust theory and practice, *The Antitrust Paradox: A Policy at War with Itself.*[1]

Former Solicitor General of the United States, Bork, now back on the Yale Law School faculty, decries recent official investigations such as "shared monopoly" among breakfast

1. Robert H. Bork, *The Antitrust Paradox: A Policy at War with Itself* (New York: Basic Books, 1978), p. 7. Another perspective viewer, Richard A. Posner of the University of Chicago Law School, says today's antitrust "is in disarray." See Professor Posner's *Antitrust Law: An Economic Perspective* (University of Chicago Press, 1976) 272 pages, especially p. 236.

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cereal producers and "price signaling" in the steel industry. He worries about government lawsuits aimed at breaking up some of America's biggest corporations such as AT&T and IBM. He argues that such moves and related moves tend to undermine competition and hence the entire antitrust edifice. These moves, he notes, are part of an ideology which is "ultimately incompatible with the preservation of a liberal capitalist social order."[2] They, therefore, cannot help but subvert the proper and originally intended goal of antitrust, which is to maximize consumer welfare.

As one who has also labored in the thorny antitrust fields (as an economic consultant and so-called "expert witness"), I concur with all this, especially with his stress on the consumer. The profound questions over antitrust theory and practice raised by Professor Bork are many, but space here permits the discussion of only two: my little question, "What is competition?" and, "Who governs?" To examine how antitrust policy answers these questions and how they ought to be answered is my goal in this article.

In my opinion, these two questions greatly overlap and are almost synonymous. According to Professor Bork, however, the two are quite disparate, one involving economics and the other political science. Of the latter he writes:

> Antitrust is, first and most obviously, law, and law made primarily by judges. We are right to be concerned about the integrity and legitimacy of that lawmaking process, both for its own sake and because ideas about the power and discretion proper to courts in one field of law will inevitably affect their performance elsewhere. At issue is the question central to democratic society: Who governs?[3]

Pressure Politics

Who governs, indeed? Consider the illustrative testimonies — some may call them pressure tactics — of witnesses before a recent Senate Antitrust and Monopoly Subcommittee hearing, chaired by Senator Edward M. Kennedy of Massachusetts. These witnesses, of widely differing backgrounds, told Congress that the government must take human and social factors into account in assessing mergers involving large corporations.

2. Bork, p. 11.
3. *Ibid.*, p. 10.

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One delegation, hailing from Youngstown, Ohio, held that they were gravely injured by a conglomerate merger resulting from the acquisition in 1969 of Youngstown Sheet & Tube Company by Lykes Corporation, a New Orleans-based ocean shipping firm. The delegation witnesses, consisting of Mayor J. Phillip Richley; the Most Reverend James W. Malone, Bishop of the Catholic Diocese of Youngstown; and Gerald Dickey, a steelworker; insisted that they were victimized when the government, through its antitrust machinery, did not challenge that merger nine years ago and when, last year, that merger supposedly contributed to the virtual shutdown of Youngstown's Campbell Works steel mill and the dismissal of nearly 5,000 workers.

The three witnesses claimed that Lykes had caused the Campbell Works to become progressively less competitive by diverting the $100 million cash flow generated by Youngstown Sheet & Tube to other phases of Lykes' conglomerate businesses. Complained witness Dickey:

> By deciding not to invest the capital when it was available, by deciding not to modernize, they doomed our mill, annihilated our jobs and brought havoc to our community.[4]

Bishop Malone issued an invitation directly to Senator Kennedy:

> We are hoping that we can interest you in our plight so that you will come personally and see the effects when conglomerates irresponsibly milk the community, move out and leave a shell behind.[5]

Another witness before Senator Kennedy's Antitrust and Monopoly Subcommittee, novelist Herman Wouk, author of *The Caine Mutiny*, spoke against corporate giants increasingly taking over independent book publishers. He held that the trend presents "long-range dangers" to the marketplace of art and ideas and that conglomerates are so concerned with profits that they sweep away loss items – esoteric books, for example – even when they may be potentially valuable in a social sense.

Earlier pressure: In 1968 a White House Task Force on Antitrust Policy, a group of eminent economists, law professors

4. *Washington Post*, May 13, 1978.

5. *Idem.* Interestingly, in June 1978 Attorney General Griffin Bell, overruled the recommendation of his Assistant Attorney General in charge of Antitrust, John Shenfield, to deny the merger proceedings of Lykes with LTV, another conglomerate. Mr. Bell approved the merger, thereby helping to create the nation's fourth largest steel company.

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and practicing attorneys appointed by President Johnson and chaired by Dean Phil C. Neal of the University of Chicago Law School, urged passage of a so-called Concentrated Industries Act. This act would seek to cut down concentration in any industry having "four or fewer firms (with) an aggregate market share of 70% or more during at least seven of the ten and four of the most recent five base years."[6]

Similarly, Ralph Nader has called for the breakup of General Motors and other large corporations, and his study group filed a report with the Senate Antitrust and Monopoly Subcommittee with the revealing title of "The Closed Enterprise System."[7] Again, a group of U.S. Senators introduced a so-called Petroleum Industry Competition Act, a bill which garnered wide Senate support in 1976. The proposed act would eliminate vertical integration in major oil companies so that each would operate in but one of the three phases of the industry – production, transportation or refining and marketing. Other bills have sought to prevent oil companies from entering or remaining in any related energy field such as nuclear or coal.

Such are the political pressures on antitrust, compounded by a widely-held distrust of "Big Business" and the "Corporate State."

Policy Confusion

As suggested earlier, antitrust policy and practice are laden with confusion, if not outright cross-purposes, thanks to ambiguous language and fuzzy or conflicting standards. Take, for example, the problem of standards in the case of pricing policy. Antitrust literature is replete with cases in which uniform product prices in an industry have raised official suspicions of seller collusion, in which different producer charges have suggested price discrimination, in which upward price leadership has implied consumer gouging and in which downward price leadership has connoted predatory action against smaller or less able producers.

Or, examine more closely the language problem. In Section 7 of the Clayton Act, as amended, for example, a merger is

6. Quoted by Bork, p. 176.
7. Ralph Nader, "The Closed Enterprise System" (New York: Grossman, 1972).

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illegal when its effect "may" be substantially to lessen competition or "tend" to create a monopoly. Here the use of "may" and "tend" makes this section extremely weasel-worded; corporations could easily be condemned for crimes or acts that they did not in fact commit. Certitude is missing and bureaucratic arbitrariness – what Dean Roscoe Pound of the Harvard Law School christened "administrative law" – sets in.

The word "may" was even seen as a trap by such a staunch friend of vigorous antitrust policy as Senator Joseph O'Mahoney of Wyoming during the debate on the Celler-Kefauver Amendment in 1949. Said the Senator:

> Mr. President, the difference between the word "will" and the word "may" is almost as great as the distinction between the poles. . . . I prefer the word "will" to the word "may"; because if we use the word "may," no one under the sun can tell what the law means, because "may" conveys into the hands of some future Federal Trade Commission the power to hold . . . practices to be illegal, although the Federal Trade Commission now says they are not illegal.[8]

So it goes. Antitrust policy, muddied by pressure politics, murky language and murkier standards, becomes ever more contradictory, if not overtly anticompetitive.

Some Antitrust Cases

This contradictory policy can be found in any number of major antitrust cases, most of which are covered in Professor Bork's book.

Take, for example, the U.S. Supreme Court's *Standard Oil* decision of 1911. At that time the Court wisely enunciated a "rule of reason" (repeated expressly in those words in the *American Tobacco* case handed down on the same day) in interpreting the Sherman Act and applying it to specific cases. Reasonable standards of business behavior conducive to consumer welfare would henceforward be recognized and applied to *Standard Oil* (and *American Tobacco*) and subsequent cases. But the Court nonetheless found New Jersey Standard unreasonable in its behavior and hence in violation of the Sherman Act. The Court's decision swung not so much

8. *Congressional Record*, August 12, 1949, p. 11, 344.

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on the company's actions, including the buying up of many competitors, most of them defunct, but rather on its supposedly wrongful intent. New Jersey Standard allegedly aimed, in the convoluted words of the decision:

> . . . to exclude others which was frequently manifested by acts and dealings wholly inconsistent with the theory that they were made with the single conception of advancing the development of business power by usual methods, but which, on the contrary, necessarily involved the intent to drive others from the field and to exclude them from their right to trade, and thus accomplish the mastery which was the end in view.[9]

So, apparently in the context of antitrust policy, so-called reasonable policy standards and "usual methods" of business activity may somehow still be in conflict with each other, depending on intent. Standard Oil was said to command a "vast amount of property and the possibilities of far-reaching control," which "operated to destroy the 'potentiality of competition' which otherwise would have existed."[10]

Thus, the government seems to be saying to businessmen: "Compete, but don't compete to win"; "Don't drive others from the field"; "Don't exclude them from their right to trade." Yet, Standard Oil competed — as all competitors in a free market must compete if they are to survive — by offering the consumer more for less. The price of kerosene, for example, went from 30 cents a gallon in 1869 to around 22 cents in 1872 to around 11 cents in 1874 to around 8 cents in 1885 to around 6 cents in 1897.[11] Thus, if in the competitive process inefficient producers fall by the wayside, such are the rules of the game — to the benefit of the consumer.

To be sure, the Court was appalled at the vastness of Standard Oil, which by the Court's calculation held 90 percent of the nation's refining capacity.

But whatever the accuracy of that figure, new, large, vertically integrated oil companies were still being established during the heyday of Standard Oil. For example, Pure Oil was established in 1895 and by 1904 owned 14 refineries, had 1,500 miles of crude oil pipelines and owned steamers and

9. *Standard Oil Company of New Jersey vs. U.S.*, 221, U.S.1, p. 76.
10. *Ibid.*, p. 74.
11. Cited in D. T. Armentano, *The Myths of Antitrust* (New Rochelle, New York: Arlington House, 1972) pp. 68-77.

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barges. By 1908 such not inconsequential companies as Texaco, Gulf, Sun, Union and Tidewater were also off and running. In 1908 there were some 125 independent refineries. Three years later, at the time of the *Standard Oil* decision, there were at least 147. As Ralph and Muriel Hidy noted in their *Pioneering In Big Business, 1882-1911, History of the Standard Oil Company* (New Jersey):

> Thus even before the breakup of the combination, the process of whittling Standard Oil down to reasonable size within the industry was already far advanced.[12]

As for the widely believed charge trumpeted by Ida Tarbell and any number of historians that Standard Oil engaged in predatory pricing practices – cutting prices in one area and raising them in another – economist John S. McGee commented:

> Judging from the Record, Standard Oil did not use predatory price discrimination to drive out competing refiners, nor did its pricing practice have that effect. Whereas there may be a very few cases in which retail kerosene peddlers or dealers went out of business after or during price cutting, there is no real proof that Standard's pricing policies were responsible. I am convinced that Standard did not systematically, if ever, use local price cutting in retailing, or anywhere else, to reduce competition. To do so would have been foolish; and, whatever else has been said about them, the old Standard organization was seldom criticized for making less money when it could readily have made more.[13]

The Brown Shoe Decision

Another landmark case discussed by Professor Bork is the *Brown Shoe* decision of 1962.

This case concerned the lawfulness of the acquisition of G. R. Kinney Company by the Brown Shoe Company. Prior to the acquisition, Brown Shoe was the country's fourth biggest manufacturer of shoes with approximately 4 percent of the nation's shoe production. Kinney's shoe manufacturing operations would have boosted Brown's combined production

12. Harper and Brothers, 1955, p. 477.

13. "Predatory Price Cutting: The Standard Oil (N.J.) Case," *Journal of Law and Economics*, October 1958, p. 168.

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to 4½ percent. In addition, Brown had 845 retail shoe outlets, Kinney 400-plus. But with more than 70,000 retail shoe outlets in the country, Brown's acquisition meant that its combined share of retail outlets was still less than two percent of the total.

At the District Court level in 1959, Judge Randolph A. Weber maintained that while these combined percentages were themselves relatively inconsequential, they nonetheless furthered manufacturing and retailing concentration, wiped out competition between Brown and Kinney at the retail level and would "foreclose other (manufacturers) from a fair opportunity to compete for Kinney's retail business."[14] So, to preclude such economic repercussions, Judge Weber directed Brown Shoe to divest itself of the G. R. Kinney acquisition.

The U.S. Supreme Court concurred, decrying, in the opinion of Chief Justice Earl Warren, "the foreclosure of independent manufacturers from markets otherwise open to them."[15] The integration trend, according to the Supreme Court, conflicted with congressional intent in the Celler-Kefauver Act:

> Of course, some of the results of large integrated or chain operations are beneficial to consumers. Their expansion is not rendered unlawful by the mere fact that small independent stores may be adversely affected. It is competition, not competitors, which the Act protects. But we cannot fail to recognize Congress' desire to promote competition through protection of viable, small, locally owned businesses. Congress appreciated that occasional higher costs and prices might result from the maintenance of fragmented industries and markets. It resolved these competing considerations in favor of decentralization. We must give effect to that decision.[16]

The Warren opinion seems to epitomize Professor Bork's point — that there is an antitrust aversion, advertent or inadvertent, toward both consumer welfare and competition. It bespeaks eloquently of his brilliant perception of an "antitrust paradox — a policy at war with itself," for it expressly sanctions "occasional higher costs and prices."

The Bork Solution

The foregoing, however, should not be read so as to conclude

14. *United States vs. Brown Shoe Company*, 179 E. Supp. 721, 740.
15. *Ibid.*, 370 U.S., p. 332.
16. *Ibid.*, p. 344.

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that Professor Bork is anti-antitrust. Rather, he says that antitrust policy should be recast to strike at three types of business activity – (1) cartel agreements fixing prices or dividing markets, (2) horizontal mergers that forge very large market shares leaving fewer than three significant competitors, and (3) deliberate predation aimed at driving rivals from a market.

But, at the same time, he would relegitimize a host of things that are now under an antitrust pale, including all vertical mergers, conglomerate mergers, tying arrangements, exclusive dealerships, price discrimination, and "small horizontal mergers." In addition, recognizing the anticompetitive impact of much regulatory activity, he would have the Justice Department apply antitrust to offending regulatory agencies. A good idea.

All this is most welcome advice, for it at least points antitrust in a far more constructive direction. So, I believe Professor Bork's book will become a classic work and help undo a lot of antitrust mischief – thanks to its insights into the nature of antitrust's approach to competition.

The question still remains, however: just what is competition? I am doubtful that Professor Bork has given a complete answer, as good as it is, for he still depends on the concepts of "pure competition" and "pure monopoly" as developed in conventional neoclassical price models, which he supplies with standard graphic demand and cost curves.

Indeed, after supplying four tentative economic and legalistic definitions of competition, Bork opts for what he admits is a fuzzy fifth definition: business activity compatible with things like "low prices, innovation, choice among differing products," with "any state of affairs in which consumer welfare cannot be increased . . . through judicial decree."[17]

But this definition is rather tautological and it lacks precise standards. Thus, it still leaves open the possibility for continuing, if lessened, arbitrary antitrust intervention, as may be inferred from Professor Bork's call for more Antitrust Division field offices and for antitrust action against "deliberate predation engaged in to drive rivals from a market."[18] (The word "deliberate" would require an antitrust judge to some-

17. Bork, p. 61.
18. *Ibid.*, p. 406.

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how probe, if not psychoanalyze, the thinking of top management.)

An Alternative Approach

And, although he cites some solid research by such economists as Yale Brozen, Harold Demsetz and Morris Adelman throughout his monumental book, I believe it is noteworthy that he does not refer to the work of economists J. M. Clark, Joseph Schumpeter and F. A. Hayek.[19] These three economists were powerful critics of the pure competition model, even if their criticism has failed to win over most antitrust economists and attorneys. Instead, these antitrust economists and attorneys generally worry about such matters as advertising, mergers, market structure, concentration ratios, product differentiation, "administered" prices, imperfect market knowledge, barriers to entry and the like. Thus, real world competition, as it deviates from the pure competition model, somehow becomes a function of business size, product homogeneity or lack of it, price rigidity, number of sellers, magnitude of business profits, and so on, with Supreme Court decisions following à la *Brown Shoe*.

But Clark, Schumpeter and Hayek have a different perspective, owing to their virtual abandonment of the pure competition model. They accept the real economic world as they find it, full of "imperfections." But they see that these so-called imperfections (such as imperfect market knowledge) are not only an inescapable part of the human condition but an integral – and dynamic – part of the competitive process itself. As Hayek has wryly observed, "imperfections" are to real competition what gasoline is to an engine. The fuel for competition is imperfections – the individual and corporate superiorities and inferiorities of resources, skills, innovations, enterprise, and the like, all pretty much sorted out by the dynamics of the marketplace. Entrepreneurship thus consists of detecting profit opportunities, of perceiving market deficiencies, of spotting dynamic changes in production

19. See, *e.g.*, J. M. Clark, *Competition as a Dynamic Process* (Washington D.C.: The Brookings Institution, 1961); Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (N.Y.: Harper & Row, 1962); and F. A. Hayek, "The Meaning of Competition," in his *Individualism and Economic Order* (Chicago: University of Chicago Press, 1948) pp. 92-106.

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technology or consumer tastes and organizing production and marketing activity accordingly. Well, then, is concentration – scarcity of sellers – some kind of transgression against society? No. It is merely a dynamic concomitant of competition: industrial attrition under the impact of economies of scale, with or without mergers. It generally yields greater efficiency in terms of lower unit costs. It is most frequently the result of division of labor, of consumer sovereignty. In recent decades, for example, the consumer increasingly chose IBM over competing computer brands and made it the giant it is. Supposing, then, that IBM won not some 65 percent of the computer market but 100 percent. Surely it would then be a monopoly? In a technical sense, yes. But not otherwise. For waiting in the wings here and abroad would be a *potential* computer producer or producers, waiting for IBM to make a mistake and anxious to serve the sovereign consumer and make a profit.

All right: who governs? Ask any producer in a free market. Very likely he will answer – his customer, without whom he would perish. Logic and experience tell us that he who pays the piper indeed calls the tune. As Ludwig von Mises noted:

> The direction of all economic affairs is in the market society a task of the entrepreneurs. Theirs is the control of production. They are at the helm and steer the ship. A superficial observer would believe that they are supreme. But they are not. They are bound to obey unconditionally the captain's orders. The captain is the consumer. Neither the entrepreneurs nor the farmers nor the capitalists determine what has to be produced. The consumers do that. . . . They determine precisely what should be produced, in what quality, and in what quantities. They are merciless egoistic bosses, full of whims and fancies, changeable and unpredictable.[20]

Well, then, what is competition? I submit that it is but another name for consumer sovereignty, free markets and free enterprise. It is freedom of entry for producers in occupations, professions, farming, trade, finance, education, and industry – with due regard for the rights of the individual, private property and the sanctity of contract. It therefore exists in the absence of fraud, coercion, especially government coercion such as

20. *Human Action* (New Haven: Yale University Press, 1949) p. 270.

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import barriers ("the tariff is the mother of trusts"), and government regulation, such as Civil Aeronautics Board regulation of airline fares and routes. It is business rivalry, yes, but in the form of economic social cooperation under the discipline of consumer sovereignty and the price system. Competition is social control under the democracy of the marketplace.

Monopoly, apart from collusion, is almost always denial of freedom of entry; it is almost always a derivative of state authority. As the great jurist Lord Edward Coke of the 17th century noted:

> A monopoly is an institution or allowance by the king, by his grant, commission, or otherwise. . . to any person or persons, bodies politic or corporate, for the *sole* buying, selling, making, working, or using of anything, whereby any person or persons, bodies politic or corporate, are sought to be restrained of any freedom or liberty that they had before, or hindered in their lawful trade. (Italics added).[21]

Much later, Blackstone had a similar definition, saying monopoly is a "license or privilege allowed by the king."[22] In short, Coke and Blackstone held that monopoly springs from official prevention or hindrance of entry into industry, profession or occupation. Monopoly is a state franchise or special privilege, enforced by the police power. Monopoly, overwhelmingly, is a creature of government.

Robert H. Bork has performed an invaluable service for the public interest in demonstrating how antitrust has served as a costly cover for inefficient and noncompetitive businesses — how it has sapped the sovereignty of the consumer.

William H. Peterson

21. Quoted in Richard T. Ely and others, *Outlines of Economics*, 3rd ed. (New York: Macmillan, 1917) pp. 190-191.
22. *Idem.*

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Kissinger Examined By Suetonius

UNCERTAIN GREATNESS: HENRY KISSINGER AND AMERICAN FOREIGN POLICY. *By Roger Morris.* (Harper and Row, New York, 1977, 302 pages.)

Roger Morris joined the bandwagon early. As Kissinger was graciously shedding the mantles of power, Morris was rolling out one of the earliest volumes in what has since become a veritable mini-library of Kissinger analyses.

The Brothers Kalb first pushed the wares with an idolatrous inside tale (Marvin and Bernard Kalb, *Kissinger*, Little Brown, 1974). Their material came from the inside all right — mostly from Kissinger himself. But even he surely would have admitted to some mortal qualities, if only in a footnote. The goods for Sheehan's work on Kissinger wandering in the desert (Edward R. Sheehan, *The Arabs, Israelis and Kissinger*, Reader's Digest Press, 1976) were laundered through Alfred Atherton, Jr. He gleefully leaked to the press classified material on the Secretary's brilliant moves, thoughts, and statements to Arab and Israeli leaders, for which the top aide was scolded by the winking subject/boss before being promoted.

Then along comes Roger Morris with enough patience and historical perspective to wait at least until Kissinger clears out his desk, but with the financial shrewdness to preempt the now-cluttered market. This book, unlike the others, is untainted by the source. Morris himself (who worked for Kissinger at the NSC) is the source.

Uncertain Greatness is an entertaining and brilliantly executed work. As a foreign affairs specialist — with a Ph.D. from Harvard, including a year as an exchange student in the Soviet Union, a Foreign Service stint and time spent as a National Security Council and congressional staffer — Morris knows American foreign policy well. Still he avoids the usual foreign-affairs-expert syndrome of mistaking boredom for profundity. As an editor of *The New Republic*, Morris is a fine writer with a staggeringly vast and colorful vocabulary. Words like "feckless," "serpentine," and "squandered" fill the pages to the sheer delight of any reader.

The chuckling becomes hilarity when Morris blasts away at the bureaucracy, which he considers "more banal than

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mysterious." From top to bottom, the Washington foreign policy elite is marked by "surprising intellectual mediocracy." Its members are generally impotent and confused. "Besieged by the organizations they were supposed to rule, they seldom made the thoughtful analysis and unequivocal decisions suggested by the pictures that showed them leaning forward so seriously at the cabinet table or in animated conversation with a foreign leader."

In this regard, the author begrudgingly admires Kissinger and – most painful at all – Nixon. They were, after all, fellow bureaucracy-haters and enemies of Morris' enemies, at least in part, must be friends.

Hence it is that *Uncertain Greatness* cannot be a scathing book on Kissinger, though one senses the author has hankered to make it so. Kissinger understood the limitations of policy by committee. He engineered the "Coup d'etat at the Hotel Pierre," as Morris masterfully describes it, by having Nixon, Rogers, and everyone else make Kissinger's NSC supreme in all policy analyses. He who controls the memos and flow of information into and out of the Oval Office controls the grand part of U.S. foreign policy. Thus, it was as Morris tells us, that Kissinger, the supreme bureaucracy-hater, became the supreme bureaucrat, amassing the power unto himself.

In the end, how does he use this power? Morris can't finally decide, but guesses, "not very well."

Perhaps Morris can't decide, because he couldn't wait long enough to judge before releasing the book. Or, more likely, Morris never really gained sufficient first-hand experience with Kissinger with which to decide. Though Morris may have cherished writing a kiss-and-tell-report – so in vogue today, particularly among old CIA-hands – he hadn't courted long or intimately enough to tell much. He served Kissinger only a bit over a year. Even during that time, Morris was confined largely to Africa, which he admits was the lowest of the low on the priority list, the one area almost entirely ignored during his stint at NSC. The tidbits he can tell about, for instance, Nixon directing Kissinger to mention Africa in the State of the World message by saying, ". . . put something in for the jigs," are gossipy enough, but hardly the stuff of great history or deep analysis.

Morris can't decide how well Kissinger did with U.S. foreign policy – mainly because the author himself does not describe

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(if he knows) what should be done with U.S. foreign policy. He lauds some Kissinger moves — such as Middle East shuttle diplomacy and the opening to China — and condemns others — such as neglect of the Biafran suffering and ignorance of economic issues. But generally Morris is split on the issues, grudgingly approving some and/or approvingly criticizing others.

This schizophrenic quality leaves one enjoying much and remembering little from the book. The author's lack of a firm ideology, based on a set of values and giving rise to goals for America to pursue, makes the analysis itself one of uncertain greatness.

In a way, this is not surprising. Any individual faithfully serving as assistant to the dogged Dean Rusk, the overly suave McGeorge Bundy, the intellectual super-hawk Walt Rostow, the complex Kissinger, and the decidedly liberal Walter Mondale cannot be operating from a firm perspective of his own — either that or Morris' own experience with so many varied bosses left him totally cynical of the entire lot.

And, when all is said and done, it is his cynicism which is so entertaining yet so maddening. This comes out, not only in the Kissinger book, but in all the writings of Roger Morris. Cynicism has become vintage Morris. In but four scanty pages of Senate testimony in 1976, Witness Morris blasts Nixon and Kissinger, the bureaucracy, the entire Cabinet, the CIA, the State Department, all of U.S. African policy and policy-makers, and ends the diatribe with a brutal attack on his host, the Congress — a truly virtuoso performance, later repeated in 302 pages of this work and a spate of subsequent articles. Some, like the attack on CIA Deputy Director Carlucci in *The New Republic*, were written anonymously, perhaps because Morris wished to escape his trademark of negativism. All are marked by colorful language, mind you, but tainted by deep cynicism.

One can only hope that American foreign policy can be conducted in a wise manner emanating pride and optimism rather than despair and pessimism. Then the future George F. Kennans and Roger Morrises — analysts with brilliant minds and fine writing abilities — can come away from the experience unscathed and constructive.

Kenneth L. Adelman

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Varieties of Conservatism

THE CONSERVATIVES: A HISTORY FROM THEIR ORIGINS TO 1965. *Edited, with a Foreword and Epilogue, by Lord Butler.* (George Allen & Unwin Publishers Ltd, London, England, 1977, 492 pp.)

CONSERVATIVE ESSAYS. *Edited by Maurice Cowling.* (Cassell Ltd., London, England, 1978, 198 pp.)

THE BINDING OF LEVIATHAN: CONSERVATISM AND THE FUTURE. *By William Waldegrave.* (Hamish Hamilton Ltd., London, England, 1978, 162 pp.)

CENTRE FORWARD: A RADICAL CONSERVATIVE PROGRAMME. *By Rhodes Boyson.* (Maurice Temple Smith Ltd., London, England, 1978, 192 pp.)

Impending elections (like impending executions) are said to concentrate the mind; it is perhaps for this reason that a small spate of books analyzing the past, present and future of the Conservative Party of Britain has recently appeared in print.

Conservatism as an approach to politics (like liberalism and socialism) transcends both time and place; also like liberalism and socialism, it is made up of a shifting coalition of ideas drawn from a variety of intellectual sources. As Dr. Rhodes Boyson notes in his practical and perceptive call for a "new" kind of conservatism (rooted firmly of course in the best traditions of the old while borrowing good ideas from liberalism and socialism), "The Conservative Party is inevitably a broad coalition and it contains within it varying approaches. It is the heir (and defender) of strands of Whiggery, Toryism, and social welfare . . . It is a coalition of interests, classes and temperaments."

The four new works reviewed here* illustrate very well the variety of political, social and economic ideas which manage to live together (sometimes uneasily) in what might be called the crowded flat of conservatism.

Lord Butler (formerly Deputy Prime Minister and now Master of Trinity College, Cambridge) has edited the most scholarly of these books; *The Conservatives* is made up of four substantial sections on the history of the party by four distinguished historians. Professor Norman Gash of St. Andrews

* And also Sir Ian Gilmour's *Inside Right* (Hutchinson, London, 1977) reviewed in *Policy Review*, Winter 1978, by Stephen Haseler.

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University (the leading authority on the age of Peel) traces the development of the party from the French Revolution to the great split that followed Sir Robert Peel's support of the repeal of the corn laws. Professor Donald Southgate of the University of Dundee covers the period from Disraeli to the post-war ministry of Bonar Law. Professor David Dilkes of the University of Leeds continues the story, writing on Baldwin and Chamberlain. The concluding section, Churchill to Heath, is the work of Dr. John A. Ramsden of Queen Mary College, London.

Lord Butler, of course, is admirably qualified for the task he has undertaken; he served with distinction as Chairman of the Research Department of the party in the period of re-examination of principles following the Labor Party's victory of 1945.

A different sort of anthology has been assembled by Maurice Cowling, author of *Mill and Liberalism* and other books and Fellow of Peterhouse, Cambridge. *Conservative Essays* presents a variety of views on a dozen aspects of the conservative tradition. Andrew Jones and Michael Bentley, for instance, compare Salisbury and Baldwin; T. E. Utley explains the importance of Mrs. Thatcher's leadership at this time in history; Shirley Robin Letwin contributes a brilliant essay on conservative individualism; and Edward Norman discusses Christianity and politics. Peregrine Worsthorne is his usual provocative (and insightful) self as he tells us how we may have too much freedom (of the wrong kind). George Gale concludes this timely book with a call for better popular communication of the conservative message.

William Waldegrave writes from the perspective of the bright young man — his credentials could not be more impeccable — Eton, President of the Oxford Union, First in Greats (classics), Fellow of All Souls, member of the Central Policy Review Staff, head of the Office of the Leader of the Opposition (Mr. Heath) and candidate for Parliament. Obviously, Mr. Waldegrave (like young Mr. Disraeli) is someone who will be heard from. In *The Binding of Leviathan* he stresses the idea of community as an important key to conservative thought. The state, he believes, should not be regarded as all-important, but neither should we regard society as a loose collection of individuals. In the tradition of Sir Ian Gilmour (and of Mr. Heath) he sees conservatism as a balance-wheel between the conflicting claims

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of liberty and authority, between freedom and security.

Dr. Rhodes Boyson, M.P., was a member of the Labor Party until 1964, when he became convinced that his old party had crossed the line between too much liberty and too much authority. A highly successful headmaster, historian and author of several books, he brings his considerable intellectual powers and practical experience to bear on the perennial problem of which course conservatism should take in our generation. He is more of a classical liberal than Lord Butler or Mr. Waldegrave (he points out that most Britons of all parties want to roll back the power of the state and proceed with more denationalization), but he would agree with them in their emphasis on the need for community and the necessity for leaders to translate the goals and aspirations of the great majority of the people into government policies which improve, rather than injure, the lives of individual citizens. As a front bench spokesman for his party and one of its most popular speakers and writers, the author of *Centre Forward* is well-placed to put his innovative proposals into practice.

Readers of these books will have a foretaste of what may happen in Britain when the Conservatives next come to power.

Robert L. Schuettinger

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The Future of American Defense and Foreign Policy

UNITED STATES NATIONAL SECURITY POLICY IN THE DECADE AHEAD. *Edited by James E. Dornan, Jr.*, (Crane, Russak and Company, New York, 1978.)

It has been nearly two years since the Carter Administration has been in charge of American foreign policy. During this brief period a number of substantial changes have taken place, both in the personnel responsible for national security and, correspondingly, in the nature and direction of those policies affecting basic U.S. strategic objectives. In some cases the objectives themselves have been seriously revised; in other cases the Administration has tended to elaborate upon the trends of the Nixon-Ford policies.

The book under discussion here offers a series of policy alternatives for the Administration's consideration, which will present to the American people a reasonably demonstrated set of arguments and actions against which present and future policy can be judged. The book is bipartisan and non-political. Overall, the several authors have risen above petty or party politics instead concentrating on positive and constructive suggestions for the improvement of America's national security position in the years ahead.

If there is a central theme which would unite the contributors, it would be, as editor James Dornan points out in the conclusion, the assumption that the Cold War is not over and that the East-West power relationships should take priority over primarily economic North-South global issues.

The options argued range from non-involvement (as Anthony Harrigan urges in the chapter on Africa) to a "forward strategy" (as Alan Sabrosky advocates for the Pacific area). The bottom line, however, leaves one with a sense of alarm after reviewing most of these essays, alarm over what is described as a gradual but increasing decline in America's power margin over its chief rival, the Soviet Union, and alarm over the same decline in the U.S. ability to construct a safe global political order based upon the central values of Western civilization. Perhaps the best example of the last point would be the brilliant essay by British historian-diplomat Robert Conquest (author of *The Great Terror*) entitled "Why the West Is Down and the East Is Up."

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In his chapter Conquest shows how the "rules" of international politics have been twisted to favor a totalitarian, anti-Western ideology based upon and led by Soviet communism and fed both by Third World forums, especially the United Nations, and by the growing accommodation to this ideology by the United States.

In many respects, this book is both refreshing and encouraging. By and large, the contributors are younger scholars whose writings have not yet penetrated the major media; many of them represent the coming generation of foreign affairs analysts. At a minimum, one would hope that this volume might further a profound debate over future national security policies. To a large degree, moreover, most of the authors are "dissenters," not just against the policies of the Carter Administration, but against policy trends going back to the early 1960s. Unlike the college-age protestors of the Vietnam era, however, this new group is at once more traditionalist, intellectual and comprehensive in outlook. The tragedy of Vietnam was only a part of the process of decline in U.S. security policies. By taking a look at the whole picture, in thirteen chapters, the present volume addresses the central issues of basic national survival in the years ahead. In presenting a series of positive and attainable alternatives to recent policies, the volume as a whole constitutes an exciting start toward major reevaluations of America's role in tomorrow's world.

It would not be possible, within these few paragraphs, to give sufficient attention to the specific recommendations offered in each of the thirteen chapters. As most of the papers were written in late 1977 or early 1978, there is, understandably, a slight gap in regard to developments over recent months. This does not, however, detract from the book's fundamental message, nor is it significantly outdated in any serious way by the daily headlines.

Every important geographic area is considered, with background and policy recommendations for each. For the Middle East, Stephen Gibert of Georgetown University calls for a broader approach, with specific emphasis on Egypt in any future settlement. (Many of his recommendations have already been adopted in the recent conclusion of the Camp David summit.) For Latin America, John Tierney of the Catholic University of America urges a more positive and activist role, without the smug presumptions of hegemony or neglect which

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have dominated past attitudes. For China, Professor Franz Michael of George Washington University, demonstrates the folly of abandoning Taiwan as a sacrifice for the dubious friendship of Peking. Colin Gray of the Hudson Institute presents a particularly realistic and common sense approach toward our declining security in NATO. He urges a "forward defense" for that continent – and for the Pacific – and a closer and more appreciative U.S. political role and the adoption of superior Western technology (such as the neutron bomb and the cruise missile) to compensate for the alarming Soviet amassment of advanced conventional armaments and manpower resources.

The first and last chapters of the book, by Frank R. Barnett and James E. Dornan, Jr., respectively, are comprehensive overviews of U.S. security policies. Barnett, president of The National Strategy Information Center, considers eight separate alternatives which he defines as absolute necessities for the prosperity and survival of the Western world. Dornan, Chairman of the Politics Department at Catholic University, reviews past policies and concludes that the time is now ripe for a thorough restatement of the intellectual assumptions of our traditional American attitudes. He advocates "a more active offensive posture" – a doctrine of "strategic containment." In his chapter on economic policy, Edwin J. Feulner, Jr., president of The Heritage Foundation, revives the concept of "economic warfare" – a much-abused and little understood term in current American usage, but precisely the form of policy waged by most nations of today's "Third World" (the Arab oil boycott is an obvious example). Constructive changes in standard assumptions and practices of U.S. diplomacy are offered by Robert L. Schuettinger (Director of Studies, The Heritage Foundation), while John Lehman (Deputy Director, Arms Control and Disarmament Agency, 1975-1976) recommends a number of ways to improve the institutional machinery of U.S. foreign policy.

The crucial dimension of military policy is examined by William Schneider, Jr. (Hudson Institute), replete with a statistical and analytical review of the dangerous erosion of U.S. strength *vis-à-vis* the Soviet Union. Schneider concludes that unless we mobilize our technology, our manpower and our Allies sufficiently (and on a timely basis) to meet this threat we will be in a dangerously exposed second place military posture

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by the mid-1980s.

In conclusion, I recommend this volume for everyone, especially my colleagues in Congress and the Administration, who do not take lightly the increasing claims that this country is fast becoming hostage to this century's next tyranny. That "long twilight struggle" prophesied by John F. Kennedy in 1961 continues, accelerating, to this day. I have tried to highlight this message through the *Balance of Power Series* which I have inserted into the *Congressional Record* since 1975 and by the formation of the congressional Committee on the Common Defense, which was founded in 1978 to help redress the growing imbalance in world strategic power. One can only hope that publications such as the one reviewed here will help focus the attention of our leaders on the danger and educate the public to the power realities of the world we continue to live in, but somehow always seem to shy away from.

It is beyond comprehension that we could, at this late point in the 20th centry, again turn a deaf ear to those prescient voices foretelling the holocaust to come. Let us hope the error of World War II thinking – when oceans separated us from the enemy and afforded us virtually years to train our armies and mobilize our industry – will no longer be with us when our military and our citizenry are but 30 minutes removed from the increasing threat of a foreign first strike capacity.

John B. Breckinridge

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New Books and Articles in Public Policy

Kenneth L. Adelman

"Seminar in African Diplomacy" (*Harper's*, September 1978). This article is a brilliant exposition of France's classic diplomacy in Africa from which the U.S. could learn much.

Advanced International Studies Institute

Research Notes on U.S.-Soviet Affairs (A.I.S.I., Washington, 1978). For more information on this new serial publication supplementing *Soviet World Outlook*, contact: Mose L. Harvey, President, AISI, Suite 1122, 4330 East-West Highway, Washington, D.C. 20014.

American Enterprise Institute

Tax Policies in the 1979 Budget (AEI, 1150 17th St., N.W., Washington, D.C. 20036). These are six papers, in shortened form, which were presented at the AEI conference on tax policy in February, 1978.

Walter Block

Defending the Undefendable (Fleet Press, 160 Fifth Ave, N.Y., 1978). In this highly controversial book (which has a Foreword by Murray N. Rothbard) Dr. Block takes an extreme free market position and defends almost all forms of behavior (including usury and libel) which he regards as "non-violent." Prof. F. A. Hayek said of this book, "(It made me feel that I was once more exposed to the shock therapy by which . . . Ludwig von Mises converted me to a consistent free market position."

Jimmy Carter

"Remarks at Wake Forest University" (*The Atlantic Community*, Summer 1978).

Ralph N. Clough

"The Two Koreas and Washington" (*The Wilson Quarterly*, Summer 1978).

Richard E. Cohen

"The Congressional Logjam: Who is Responsible?" (*National Journal*, August 5, 1978).

Philip M. Crane, M. C.

The Tax Limitation Time is Now (American Conservative Union, Washington, D.C., 1978). Along with Representative Crane, David Copeland and Donald Totten outline the need for immediate tax limitation legislation. For further information, contact: Fran Griffin, ACU, 316 Pennsylvania Avenue, S.E., Washington, D.C. 20003.

Chester A. Croker

"The United States and the Endgame in Rhodesia" (*Strategic Review*, Summer 1978).

Brian Crozier

Strategy of Survival (Arlington House, New Rochelle, N.Y., 1978). The communists' continuing ideological struggle against the West is the subject of this book.

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Geoffrey Fairbairn
"The Secret Agent and Terrorism" (*Quadrant*, Box C 344, Clarence St. P.O., Sydney, 2000, Australia, May 1978).

Roger W. Fontaine
"Cuban Strategy in Africa: The Long Road of Ambition" (*Strategic Review*, Summer 1978).

Harry G. Gelber
"SALT and the Strategic Future" (*Orbis*, Summer 1978).

George Gilder
"Promotheus Bound" (*Harper's*, September 1978). This is an insightful article. The author points out that the vested interests who oppose a substantial cut in the capital gains tax are those large institutions which have "arrived"; they show little interest in seeing new and smaller businesses rise up to compete with, or even replace, themselves. The author argues in favor of genuine competition and change.

Alonzo L. Hamby
"Public Opinion: Korea and Vietnam" (*The Wilson Quarterly*, Summer 1978).

The Historical Research Foundation
A Study of Voters' Inconsistencies in Selected Congressional Districts (The Historical Research Foundation, Washington, D.C., 1978). This monograph studies why voters vote for candidates who have different ideological viewpoints from their own. For further information, contact: Larry Butler, Project Director, The Historical Research Foundation, 110 D Street, S.E., Washington, D.C. 20007.

Melvyn Krauss
The New Protectionism (International Center for Economic Policy Studies, N.Y., 1978). New York University Professor Krauss discusses the effects of recently inaugurated tariffs and other distortions of international trade. This book, the first published by the newly founded ICEPS, will appear in October, 1978. For further information, contact: ICEPS, 20 West 40th St., New York, N.Y. 10018.

Annie Kriegel
Eurocommunism: A New Kind of Communism? (The Hoover Institution on War, Revolution, and Peace, Stanford, 1978). For more information, write: George Marotta, Assistant Director, Public Affairs and Publications, Hoover Institution, Stanford University, Stanford, CA 94305.

Charles A. Lave
"Transportation and Energy: Some Current Myths" (*Policy Analysis*, Summer 1978).

Philip F. Lawler
"The Bakke Quagmire" (*The New American Review*, February/March 1978).

Seymour Martin Lipset (editor)
America's Third Century: A Post Industrial Society (Hoover Institution, Stanford, 1978). A series of discussions with Irving Kristol, Aaron Wildavsky, Alex Inkeles, and Robert Nisbet.

Seymour Martin Lipset and Earl Raab
"The Message of Proposition 13" (*Commentary*, September 1978).

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National Dividend Foundation

Federal Debt and Social Security: Truth or Consequences? For further information, contact: Joseph T. Buxton, III, Executive Director, National Dividend Foundation, Inc., 10435 Ironwood Road, Palm Beach Gardens, Florida 33410.

Gary North

"Confessions of a Washington Reject" (*Reason*, August 1978). This is a provocative article on congressional Staffs.

David Owen, M.P.

"Communism, Socialism and Democracy" (*The Atlantic Community*, Summer 1978).

Jeffrey Record

"MBFR: Little Progress But Disquieting Trends" (*Strategic Review*, Summer 1978).

Robert F. Rooney and M. Bruce Johnson

The Economics of America's Third Century: A Discussion (Greenhill Publishers, Ottawa, 1978). For further information on this booklet by the International Institute for Economic Research, contact Jameson G. Campaign, Jr., Greenhill Publishers, Box 1976, Ottawa, IL 61350.

Leo E. Rose

"The Superpowers in South Asia: A Geostrategic Analysis" (*Orbis*, Summer 1978).

Scott Thompson

"Africa for the Africans?" (*Commentary*, September 1978).

Scott Thompson (editor)

The Third World: Illusions and Realities (Institute for Contemporary Studies, San Francisco, 1978). This book by Tufts University professor Thompson will be released October, 1978. For further information, contact: Nina Zemo, ICS, 260 California St., San Francisco, CA 94111.

General Sir Walter Walker

The Bear at the Back Door (The Foreign Affairs Publishing Co. Ltd., 139 Petersham Road, Richmond, Surrey, England, 1978) with a Foreword by Rt. Hon. Julian Amery, PC, MP. NATO Commander-in-Chief of the Allied Forces of Northern Europe from 1969-72, Gen. Walker warns of the Soviet military buildup and the West's weakness especially on the flanks in Scandinavia and the Cape Route and points out the Soviet threat to the West's oil supplies and raw materials from southern Africa.

Patrick Wall, M.P.

The Battle for Resources (U.S. Industrial Council, Nashville, 1978). The struggle by America and Western Europe to ward off Soviet dominance of vital mineral and energy resources in Africa is the focus of this U.S.I.C. booklet. Contact Marty Shaw, U.S.I.C., P.O. Box 2686, Nashville, TN 37219 for further information.

The Washington Review of Strategic and International Studies (Special Supplement)

"The Horn of Africa" (*The Washington Review*, Center for Strategic & International Studies, Georgetown University, May 1978).

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